

City of Newton, Massachusetts

ANNUAL FINANCIAL REPORT

BUDGETARY/STATUTORY BASIS

For the Year Ended June 30, 2006



Prepared by: Comptroller's Office
David C. Wilkinson, Comptroller

CITY OF NEWTON, MASSACHUSETTS
ELECTED OFFICIALS AND DEPARTMENT HEADS
June 30, 2006

BOARD OF ALDERMEN

R. Lisle Baker, President
Any Mah Sangiolo, Vice President
Ben Weisbuch
Carleton P. Merrill
Scott Lennon, Audit Committee Chairman
Marcia T. Johnson
Susan Albright
Stephen M. Linsky
Ted Hess-Mahan
Leonard J. Gentile
Anthony J.. Salvucci
Leslie Burg
John W. Harney
Paul E. Coletti, Finance Committee Chairman
Brian E. Yates
Christine Snow Samuelson
George E. Mansfield
Kenneth R.L. Parker
Victoria Danberg
Sydra Schnipper
Vern W. Vance
Mitchell L. Fishman
Richard A. Lipoff
Cheryl Lipoff Lappin

SCHOOL COMMITTEE

Dori Zaleznik, Chairman
Mark Laredo, Vice Chairman
Reenie Murphy
Jonathan Yeo
Susan Heyman
Claire Sokoloff
Gail Glick
Ann Larner
Jeffrey Young, Superintendent of Schools
Sandra Guryan, Assistant Superintendent. Budget & Finance

EXECUTIVE

Mayor David B. Cohen
Sanford Pooler, Chief Administrative Officer
Sanford Pooler, Chief Budget Officer
Jeremy Solomon, Chief of Policy & Communications
Maureen Grimaldi, Citizen Assistance Officer

DEPARTMENT HEADS

Accounting: David Wilkinson, Comptroller of Accounts
Assessing: Elizabeth Dromey, Director
City Clerk/Clerk of Board: David Olson, City Clerk/Clerk of the Board
Civil Defense: Jay Moskow, Director
Elections: Peter Karg, Executive Secretary Election Commission
Fire: Joseph LaCroix, Fire Chief
Health & Human Services: David Naparstek, Commissioner
Human Resources, Dolores Hamilton, Director
Information Technology: Ann Cornaro, Director
Inspectional Services: John Lojek Commissioner
Newton History Museum: Susan Abele, Acting Director
Law: Daniel Funk, City Solicitor
Library: Kathy Glick Weil, Librarian
Parks & Recreation: Fran Towle, Commissioner
Planning & Development: Michael Kruse, Director
Police: John J. O'Brien, Police Chief
Public Buildings: A. Nicholas Parnell, Commissioner
Public Works: Robert Rooney, Commissioner
Purchasing: Rere Cappoli, Purchasing Agent
Senior Services, Jayne Colino, Director
Treasury: Edward Spellman, Treasurer & Collector
Veteran Services: Fred Guzzi, Veterans Agent

CONTRIBUTORY RETIREMENT BOARD

Nunzio Piselli, Chairman & Mayor's appointee
Francis Capello, Vice Chairman & Elected member
David Wilkinson, Ex Officio Member (Comptroller of Accounts)
Paul Bianci, Elected Member
Richard Heidlage, Appointed Member
Kelly Byrne, Executive Director



CITY OF NEWTON, MASSACHUSETTS

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DAVID C. WILKINSON
COMPTROLLER

August 30, 2006

Mayor David B. Cohen
Members of the Board of Aldermen
Citizens and Taxpayers of the City of Newton

I am pleased to transmit to you the City of Newton's Annual Financial Report for the fiscal year ended June 30, 2006. This report has been prepared in conformity with the Commonwealth of Massachusetts's Uniform Municipal Accounting System (UMAS), which is the City's budgetary basis of accounting. The budgetary basis of accounting differs in a number of regards from generally accepted accounting principles. The City's Comprehensive Annual Financial Report (CAFR), which is prepared in conformity with generally accepted accounting principles and is independently audited, is scheduled to be issued later this fall.


The report consists of a narrative management discussion and analysis of the City's finances (pages i to xii); followed by combined level financial statements for the City as a whole (pages 1-4); and combining and individual fund financial statements and schedules (pages 5-92). Information is provided for all funds and account groups of the City as of June 30, 2006 and for the Newton Contributory Retirement System, as of December 31, 2005.

The most significant result of fiscal 2006 is the very dramatic improvement in the financial position of the General Fund and the resulting impact upon the estimated free cash position of the City. After two years of declining free cash balances, the City's June 30, 2006 free cash position is estimated to grow by \$3.6 million to \$7.5 million -3% of revenues for the year. The much needed improvement is the result of two major revenue sources, inspectional services permit fees and investment income, significantly exceeding both budget estimates for the year and average annual revenue experience over the past five year period.

Treasurer's detailed receivable and cash balances have been reconciled to the general ledger and reports on these reconciliations are included at the end of the report.

Before concluding, I would like to take this opportunity to acknowledge the exceptional service and professional commitment of the staff of the Comptroller's Office and the Retirement Office: Kelly Byrne; Donna Cadman; Ann-Marie Daley; Eileen Frail; Helen Ho; Bob Perruzzi; Julie Zakak; and Regina Zegarelli. I would also like to express my appreciation to the President and Vice President of the Board of Aldermen, as well as members of the Finance Committee and Audit Sub-Committee of the Board of Aldermen for their ongoing assistance and support.

Respectfully,


David C. Wilkinson
Comptroller

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MANAGEMENT DISCUSSION & ANALYSIS

The purpose of the Management Discussion & Analysis (MD&A) is to provide the reader with a narrative overview and analysis of the financial activities of the City for the year ended June 30, 2006. Please refer to the financial statements and supporting schedules for more detailed information.

Financial Highlights:

- Combined total assets of the City (excluding the Contributory Retirement System) exceeded combined total liabilities by \$327.4 million at the close of the most recent fiscal year – an increase of \$21.2 million or 6.9% greater than the combined fund balances for the previous fiscal year.
- A total of \$247.4 million or 75.6% of the City's combined fund balances consist of the City's investment in capital assets used to deliver local services. An additional \$62.6 million or 19.1% of the combined fund balance is legally reserved or designated by the Mayor and Board of Aldermen for specific future uses, and \$17.4 million or 5.3% is unreserved and undesignated.
- A total of \$7.5 million or 2.3% of total combined fund balance is estimated to be free cash and available for appropriation, subject to final certification by the Massachusetts Department of Revenue. The projected June 30, 2006 free cash position of the City is \$3.6 million (92.3%) greater than the June 30, 2005 free cash position and is \$2.3 million (44.5%) greater than the average annual free cash position for the past five year period. The improved free cash position resulted from two major General Fund revenue sources - inspectional services permits and investment income revenues significantly exceeding budget estimates.
- Total revenue for all funds (excluding the Contributory Retirement System) was \$353.1 million - \$13.2 million or 3.6% less than total revenue for the fiscal year ended June 30, 2005. Excluding the effects of \$26.1 million in fiscal year 2005 school building assistance grant revenues (75% of the Newton South renovation grant), total fiscal year 2006 revenues exceeded fiscal 2005 revenues by \$12.9 million or 3.8%.

Property tax revenue, the City's single largest single revenue source, accounted for \$6.7 million or 51.9% of the total year-to-year revenue growth, followed by charges for service revenue (principally water and sewer user charges and group health self insurance premiums) at \$3.6 million or 27.9%; and investment income at \$2.3 million or 17.8%.

Total Revenues – All Funds

	Fiscal Year Ended <u>June 30, 2006</u>	%	Fiscal Year Ended <u>June 30, 2005</u>	%
	Total		Total	
Real estate and personal property taxes	\$ 202,212,921	57.3%	\$ 195,464,851	53.4%
Motor excise taxes	10,750,647	3.0%	11,467,867	3.1%
Other taxes, interest and penalties	2,308,285	0.7%	2,210,035	0.6%
Charges for service	81,921,562	23.2%	78,309,715	21.4%
Investment income	4,862,552	1.4%	2,595,984	0.7%
Departmental & other	11,788,008	3.3%	10,112,133	2.8%
State & federal assistance	39,246,617	11.1%	66,137,632	18.1%
Total revenue	<u>\$ 353,090,592</u>	<u>100.0%</u>	<u>\$ 366,298,217</u>	<u>100.0%</u>

- Total expenditures for all funds were \$354.5 million - \$11.1 million or 3.2% more than total expenditures for the fiscal year ended June 30, 2005. Pension and employee/retiree benefit expenditures accounted for

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MANAGEMENT DISCUSSION & ANALYSIS

\$6 million or 54.1% of total expenditure growth, followed by health and human services spending at \$3 million or 27%, and education spending at \$1.7 million or 15.3% of total expenditure growth.

- Group health insurance expenditures for active and retired employees and their dependents accounted for 91.7% of the increase in pension and employee/retiree benefit spending. The growth in health and human services spending is a function of the \$3.5 million in community housing expenditures that were made during the year in the Community Preservation Fund.

Total Expenditures – All Funds

	Fiscal Year		Fiscal Year	
	Ended	%	Ended	%
	June 30, 2006	Total	June 30, 2005	Total
General government	\$ 13,750,521	3.9%	\$ 14,030,816	4.1%
Public safety	32,938,991	9.3%	32,537,450	9.5%
Education	158,743,835	44.8%	157,063,861	45.7%
Public works	28,862,757	8.1%	29,350,677	8.5%
Health and human services	11,693,970	3.3%	8,652,742	2.5%
Culture and recreation	12,250,395	3.5%	14,194,633	4.1%
Debt and interest	10,422,416	2.9%	9,128,041	2.7%
Pension and retiree benefits	59,285,557	16.7%	53,258,557	15.5%
State charges	26,507,019	7.5%	25,153,834	7.3%
Total expenditures	<u>\$ 354,455,461</u>	<u>100.0%</u>	<u>\$ 343,370,611</u>	<u>100.0%</u>

- The taxable value of all real estate and personal property in the City increased by \$1 billion (5.3%) to \$19.9 billion. Each \$1 dollar on the tax rate generates \$19.9 million. Residential taxpayers were responsible for 83.9% of the total property tax levy while commercial, industrial, and personal property taxpayers funded 16.1% of the levy. The tax rates for the year were \$9.36 per \$1,000 of assessed value for residential taxpayers and \$17.72 per \$1,000 of assessed value for commercial and industrial taxpayers.
- General Fund revenues and transfers from other funds exceeded expenditures and transfers to other funds by \$4.4 million and the undesignated portion of the General Fund fund balance increased by \$4.8 million to \$17.4 million as a result strong investment income and inspectional services permit growth and the fact that the City continued to reduce the amount of free cash to support the operating budget. Free cash is estimated to increase by approximately \$3.6 million to \$7.5 million – 3% of fund revenue for the year. This marks a reversal of recent trends of declining free cash positions.
- Sewer Fund revenues and transfers from other funds exceeded fund expenditures and transfers to other funds by \$349,779. Sewer Fund balance available for appropriation for sewer system maintenance and operation is \$1.3 million – 7% of revenue for the year.
- Water Fund revenues and transfers from other funds exceeded fund expenditures and transfers to other funds by \$770,186. Water Fund balance available for appropriation for water system maintenance and operation is \$2.7 million – 19.9% of revenue for the year.
- Fund deficits of \$10.5 million and \$10,201 are reported in the High School Improvement and the Municipal Building Improvement Capital Project Funds. Expenditures in both funds were within approved budgets, however, temporary financing was used to fund expenditures. At the point that permanent financing is completed the fund deficits will be eliminated.

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- The City's Capital Stabilization Fund ended the year with a fund balance of \$9.8 million, \$9.4 million of which has been designated for future high school improvement project costs, and \$390,696 which is available for other future capital needs.
- Group Health Self Insurance Fund expenditures exceeded fund revenues by \$761,896 for the year, resulting in a year-end fund balance of \$3.6 million or slightly more than one month of average fund expenditures. The decline in fund balance is related to activity in the Harvard-Pilgrim health plan, where fund expenditures exceeded fund revenues by \$1.6 million, leaving a narrow year-end fund balance of \$50,848. The Tufts Health plan's revenues exceeded expenditures by \$860,776, allowing it to end the year with a \$3.6 million fund balance.
- The City's total long-term bonded debt increased by \$8.7 million (14%) to \$70.9 million during the year. A total of \$7.8 million in existing debt was retired during the year and \$16.5 million in new long term debt was added. New debt consisted of \$10.3 in high school renovation bonds; \$1.3 million in elementary school renovation bonds; \$524,000 in street betterment bonds; \$887,000 in public works equipment debt; \$2.6 million in new water main rehabilitation bonds; \$52,525 in sewer system improvement debt; and \$850,000 in fire equipment replacement bonds. Total interest expenditures for long-term debt were \$1.4 million.
- Total outstanding bond anticipation notes payable for high school renovations decreased by \$37.4 million to \$12.1 million during the year. A total of \$26.1 million bond anticipation notes were retired with the state school building assistance grant reimbursements and \$10.0 million were permanently financed during the year. Total interest expenditures on outstanding bond anticipation notes were \$1.4 million.
- Total authorized and unissued debt (net of outstanding bond anticipation notes) at June 30, 2006 was \$42.1 million, consisting of \$26.6 for the high school improvements; \$10.3 million for water system improvements; \$4.5 million for sewer system improvements; \$500,000 for school boiler improvements; and \$150,000 for fire station improvements.
- The City's investment in capital assets increased by \$3.1 million or 1.3% to \$247.4 million. The increase is inclusive of \$12.8 million in new capital assets, less \$9.7 million in current year depreciation.
- Contributory Retirement System net assets increased by \$7.3 million to \$246.8 million for the retirement system's fiscal year ended December 31, 2005. The funded status of the retirement plan, however, declined from 67.6% to 66.2% as a result of mortality losses and the fact that the investment return on fund assets came in at 7% instead of the 8% actuarial target.

Combined level financial statements are included on pages 1 and 2 of this report.

General Fund: The General Fund is the City's main operating fund and is used to account for all activity which is not required to be accounted for in another fund. General Fund financial position and operating result information is reported on pages 5 thru 25 of the Annual Financial Report.

The City's original General Fund operating budget for the fiscal year ended June 30, 2006 was \$247.4 million, including \$4.9 million in encumbrances and continued appropriations brought forward from June 30, 2005. During the year, an additional \$5.5 million in supplemental appropriations were voted, bringing the total fiscal year 2006 budget to \$252.9 million. This represents a \$5.4 million (2.2%) increase over the total final budget for the previous fiscal year; a \$45.9 million (22.2%) increase over the fiscal year 2001 budget; and an \$83.7 million (49.5%) increase over the fiscal year 1996 budget.

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MANAGEMENT DISCUSSION & ANALYSIS

The following is a summary of the nature of supplemental appropriations voted during fiscal year 2006. Supplemental appropriations represent changes in total appropriations and exclude transfers from the appropriated Budget Reserve account for extraordinary and unforeseen purposes. Please refer to page 22 for information on Budget Reserve activity during fiscal year 2006 and for each of the five previous fiscal years.

General Fund Supplemental Appropriations by Purpose

Snow and ice control	\$ 1,335,087
Public safety salaries	230,276
Energy - municipal departments	120,000
Energy - school department	430,000
Legal	107,500
Debt service and issuance costs	458,625
Other municipal operating	200,920
Capital - municipal departments	559,620
Capital - school department	2,083,739
Total Supplemental appropriations	\$ <u>5,525,767</u>

The \$2.1 million supplemental appropriation for school capital represents the City's fiscal year 2006 contribution to the Capital Stabilization Fund for future year high school improvement project costs.

Total General Fund revenues and transfers from other funds totaled \$251 million - \$4.4 more than fund expenditures and transfers to other funds, and \$10.3 million or 4.3% more than total revenues and inter-fund transfers for the previous fiscal year.

Total General Fund revenues and transfers from other funds exceeded budget estimates by \$7.3 million or 3%. License and permit income, principally inspectional services permit fees and investment income accounted for 69.3% of the revenue growth in excess of budget estimates.

Inspectional services permit revenue amounted to \$5.8 million for the year - \$3.2 million more than the budget estimate and \$2.3 million more than average annual revenue from this source for the previous five year period. Significant permit income was generated from construction activity at Newton-Wellesley Hospital; the Avalon at Chestnut Hill residential development; and the Woodland Station development project.

Investment income for the year amounted to \$3.1 million - \$1.7 million more than the budget estimate and \$1.5 million more than average annual investment income for the past five year period. Rising interest rates were responsible for the growth in this revenue source. June 30, 2006 short term money market rates stood at 5.14%, compared with 3.10% at the conclusion of fiscal year 2005.

The following is a summary of 2006 revenues, by major source, and a comparison of how each revenue source compared with 2005 actual revenues. Detailed revenue budget to actual information and five year trend information for each major revenue source is presented on pages 10 and 11. Of particular note in regard to the trend information, is the fact that state and federal assistance for the General Fund operating budget has declined from 11% of the total budget in fiscal year 2001 to 8% for the year just ended. During this same time period, property taxes have increased from 76.8% of the budget to 79.8%. A detailed accounting of the changes in Commonwealth of Massachusetts "Cherry Sheet" aid, the largest source of General Fund state and federal aid, over this time period is included on page 24.

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MANAGEMENT DISCUSSION & ANALYSIS

General Fund Revenue Budget Summary
Current Year Revenues Compared with Prior Year Revenues

	Fiscal Year		Fiscal Year	
	Ended	%	Ended	%
	June 30, 2006	Total	June 30, 2005	Total
Real estate and personal property taxes	\$ 200,233,921	79.8%	\$ 193,592,595	80.4%
In lieu of tax payments	418,202	0.2%	394,562	0.2%
Motor excise taxes	10,750,647	4.3%	11,467,867	4.8%
Hotel room occupancy taxes	1,060,052	0.4%	979,194	0.4%
Penalties and interest on taxes	824,950	0.3%	1,225,225	0.5%
Licenses and permits	6,515,917	2.6%	4,867,719	2.0%
Charges for service	1,639,979	0.7%	1,336,523	0.6%
Fines & forfeitures	1,972,840	0.8%	1,968,319	0.8%
Investment income	3,055,801	1.2%	1,529,059	0.6%
Special assessments	55,808	0.0%	22,910	0.0%
Miscellaneous	1,026,373	0.4%	617,318	0.3%
State and federal assistance	20,125,098	8.0%	19,358,021	8.0%
Total revenue	247,679,588	98.7%	237,359,312	98.6%
Transfers from other funds	3,350,924	1.3%	3,388,186	1.4%
Total revenue & transfers from other funds	\$ 251,030,512	100.0%	\$ 240,747,498	100.0%

Property tax revenues accounted for 79.8% of fiscal year 2006 budget financing, down slightly from the previous year. The property tax levy for fiscal year 2006 included a gross tax levy of \$201.2 million less a \$2.8 million allowance for abatements and exemptions. A total of \$561,666 in charges were made against the fiscal year 2006 allowance for abatements and exemptions during the year, \$344,520 of which were for statutory exemptions; \$191,789 of which were for valuation abatements; and \$25,357 of which was for the senior tax relief work program. A total of thirty nine Newton taxpayers participated in the senior tax relief work program during the year.

At year end the fiscal 2006 allowance for abatements and exemptions had a balance of \$2.2 million. In addition, a total of \$5.5 million in prior year abatement and exemption allowances remained open. These balances are being retained by the Board of Assessors to address a combination of prior year uncollectible personal property tax accounts and disputed telecommunication valuations.

During the course of the year, the Board of Assessors also entered into property tax deferral agreements with sixty nine Newton taxpayers for taxes in the amount of \$346,149. At year end a total of \$2.1 million in real estate taxes were under deferral agreements with the Board of Assessors. The interest rate on taxes deferred prior to July 1, 2006 is 8% per annum. Effective July 1, 2006, the annual interest rate is the lesser of 8% or the Federal Reserve Bank's discount rate on the last day of the previous fiscal year.

The City's Proposition 2 ½ Levy Limit for the year was \$201.2 million - \$4,463 more than the actual levy. Uncollected fiscal year 2006 property taxes at year end amounted to \$3.1 million – 1.6% of the net tax levy for the year. This represents a slight improvement over fiscal year 2005 when 1.7% of the net levy remained outstanding at year end. Prior year uncollected property taxes at June 30, 2006 amounted to \$1.4 million – a 50% increase over prior year uncollected taxes at the same time last fiscal year. This increase is a result of the fact that the reclassification of outstanding fiscal year 2005 real estate taxes to tax title status was pending at June 30, 2006.

**CITY OF NEWTON, MASSACHUSETTS
BUDGETARY BASIS ANNUAL FINANCIAL REPORT
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MANAGEMENT DISCUSSION & ANALYSIS**

As a result of the City's acceptance of Massachusetts General Law Chapter 59 Section 2D, authorizing pro rata tax assessments on the value of certain physical improvements to real estate after the normal January 1 tax valuation date, the Board of Assessors levied \$197,237 in additional property taxes.

The original budget included \$7.1 million in fund balance financing. This sum included \$4.9 million for June 30, 2005 encumbrances and continued appropriations brought into fiscal year 2006 and \$2.2 million in free cash voted to support the fiscal year 2006 budget. Over the course of the fiscal year, \$2 million in additional appropriations were voted from free cash, bringing total fund balance financing for the fiscal year 2006 budget to a total of \$9.1 million or 3.6% of the total budget for the year. Free cash account activity for fiscal year 2006 and each of the five previous fiscal years are summarized on page 23.

General Fund expenditures and transfers to other funds totaled \$246.7 million, \$5.7 million or 2.4% greater than total expenditures and inter-fund transfers for the previous fiscal year. All expenditures, except those for State charges, were within budget. A detailed accounting of State charges is included on page 24.

The following is a summary of 2006 expenditures by major function and a comparison of how each expenditure function compared with fiscal year 2005 expenditures. Detailed fiscal year 2006 departmental budget to actual information, at the legal level of control, is presented on pages 12 -21. Five year trend information is also presented for each major function on page 9.

General Fund Expenditure Budget Summary
Current Year Expenditures Compared with Prior Year Expenditures

	Fiscal Year		Fiscal Year	
	Ended	%	Ended	%
	June 30, 2006	Total	June 30, 2005	Total
General government	\$ 12,709,161	5.2%	\$ 12,872,860	5.3%
Public safety	30,382,420	12.3%	30,325,400	12.6%
Public works	19,288,043	7.8%	20,242,471	8.4%
Health and human services	3,156,455	1.3%	3,117,371	1.3%
Culture and recreation	9,921,332	4.0%	9,951,799	4.1%
Debt and interest	7,245,009	2.9%	6,387,369	2.7%
Pensions and retiree benefits	18,525,153	7.5%	17,009,618	7.1%
Education	134,804,237	54.6%	130,432,778	54.1%
State charges	5,209,013	2.1%	5,045,783	2.1%
Total expenditures	<u>241,240,823</u>	<u>97.8%</u>	<u>235,385,449</u>	<u>97.7%</u>
Transfers to other funds	<u>5,439,296</u>	<u>2.2%</u>	<u>5,632,645</u>	<u>2.3%</u>
Total expenditures & transfers to other funds	<u>\$ 246,680,119</u>	<u>100.0%</u>	<u>\$ 241,018,094</u>	<u>100.0%</u>

A total of \$5 million in fiscal year 2006 unexpended appropriations have been brought forward into fiscal year 2007 and \$1.2 million in unexpended and unobligated appropriations have been closed to fund balance.

Fiscal year 2005 appropriation turn-backs were \$1.6 million.

Included within the \$5 million in continued appropriation are: \$2.1 million in multi-year special appropriations for minor capital outlay and improvements and the property tax revaluation program; \$1.5 million in wage and salary reserve funds for unresolved collective bargaining obligations for firefighters and foremen unions; \$1.1 million in Newton Public Schools operating budget encumbrances and continuing appropriations. The school continued appropriation total includes \$500,000 for school building energy conservation improvements and \$150,000 for the first year of a school computer lease purchase contract which was under development at year end.

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A total of \$1.1 million was included in the fiscal 2006 budget for extraordinary and unforeseen contingency purposes (Budget Reserve). All but \$14,721 of this sum was transferred to operating budgets during the year to address departmental operating needs. An accounting of budget reserve account uses for both fiscal year 2006 and each of the five previous fiscal years is presented on page 22.

Education spending accounted for \$4.4 million or 77.2% of the growth in General Fund expenditures for the year. Pension and retiree benefits; debt service requirements; and state charges accounted for the balance of the growth in spending for the year.

Pension benefit costs increased by slightly less than \$500,000 (4.9%) for the year and retiree health and life benefits grew by slightly less than \$1 million (14.9%). Debt and interest expenditures include \$4.8 million in bond maturities; \$1.1 million in interest on permanent debt; and \$1.4 million in interest on temporary debt issued in connection with high school improvements. The decline in public works spending can be traced directly to a \$1.6 million reduction in snow and ice control spending during fiscal year 2006. Total 2006 General Fund snow and ice control spending was \$2.1 million, compared with \$3.7 million for the previous fiscal year.

Energy cost escalation was a major expenditure budget issue during fiscal year 2006. Total General Fund energy related expenditures in various departmental budgets amounted to \$8.9 million – a \$2.3 million or 34.8% more than total energy related expenditures for the fiscal year ended June 30, 2005.

Unexpectedly strong inspectional services permit revenue and investment income allowed total General Fund fund balance to grow by \$4.4 million to \$24.1 million at year end. As a result of the combination of unanticipated revenue growth and continued restraint in the use of free cash as a financing source for the 2007 operating budget, Undesignated Fund Balance grew by \$4.8 million to 6.9% of total fund revenue.

General Fund Balance Trends – FY 2006 and Five Previous Fiscal Years

	2006	2005	2004	2003	2002	2001
Total fund balance	\$ 24,090,671	19,740,278	\$ 20,010,874	\$ 19,876,024	\$ 16,667,055	\$ 17,513,916
Less: fund balances reserved for:						
Encumbrances/continued appropriations	(4,992,341)	(4,913,203)	(5,576,972)	(4,028,004)	(4,094,669)	(3,978,233)
Other purposes	(8,824)	(20,534)	(24,527)	(21,307)	91,127	87,034
Unreserved fund balance	19,089,506	14,806,541	14,409,375	15,826,713	12,663,513	13,622,717
Less: fund balance designated to support following year budget	(1,700,000)	(2,200,000)	(2,738,000)	(2,200,000)	(1,700,000)	(2,200,000)
Undesignated fund balance	17,389,506	12,606,541	11,671,375	13,626,713	10,963,513	11,422,717
Total revenue and transfers from other funds	\$ 251,030,512	240,747,498	\$ 238,932,010	\$ 228,451,958	\$ 207,967,287	\$ 202,986,144
Undesignated fund balance as % total revenue	6.9%	5.2%	4.9%	6.0%	5.3%	5.6%

Special Revenue Funds: Special Revenue Funds are used to account for proceeds from specific revenue sources that are legally restricted for expenditure for purposes specified in either a grant or gift award or in federal, state, or local law. Combining level financial statements for all Special Revenue Funds are provided on pages 26 to 31 and detailed operating schedules and selective individual fund financial statements for special revenue funds are presented on pages 32 to 60.

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MANAGEMENT DISCUSSION & ANALYSIS
School Lunch Fund

The financial position of the School Lunch Fund improved from \$7,054 to \$144,696 during fiscal year 2006. The fund now has a small operating cushion – 4.7% of revenue. The improved financial condition of the fund is the result of a \$159,691 increase in the General Fund subsidy for school lunch activities.

Highway Improvement Fund

Effective July 1, 2005, the Highway Improvement Fund, which is used to account for state Chapter 90 highway grants, was reclassified from the Special Revenue Funds to the Capital Project Funds in recognition of the fact that Chapter 90 grants are capital rather than operating in nature.

School Revolving Fund

Effective July 1, 2005 Newton Public School revolving fund activity has been transferred to a separate fund. A summary of operating activity in the new fund, by major program, is presented on page 35.

Community Preservation Fund

Community Preservation Fund financial statements and supporting schedules are presented on pages 44 – 48 of this report.

The Community Preservation Fund ended the year with a total fund balance of \$5.5 million, \$1.6 million less than the fund's beginning fund balance. A total of \$4.7 million or 85.5% of the year-end fund balance was reserved for continuing appropriations; \$298,982 was reserved for future open space appropriations; \$96,567 was reserved for future historic preservation purposes, and \$410,946 was available for any community preservation fund eligible appropriation.

The Community Preservation Fund generated \$4.2 million in revenue during the year, \$2 million of which came from property tax surcharges; \$1.9 million from state matching funds; \$117,823 in federal grant reimbursements for the Forte Park improvement project; and \$235,180 in investment income.

The final budget for the year ended June 30, 2006 was \$10.7 million and total expenditures were \$5.8 million.

Community Preservation Fund Expenditures Summary
Current Year Expenditures Compared with Prior Year Expenditures

	Fiscal Year		Fiscal Year	
	Ended	%	Ended	%
	June 30, 2006	Total	June 30, 2005	Total
Administration	\$ 148,631	2.5%	\$ 87,721	2.2%
Open space	922,742	15.8%	2,212,629	54.4%
Historic resources	667,441	11.4%	731,017	18.0%
Community housing	3,571,371	61.1%	377,997	9.3%
Community recreation	504,547	8.6%	657,498	16.2%
Total expenditures	5,814,732	99.5%	4,066,862	100.0%
Transfer to General Fund - legal support	30,000	0.5%	-	0.0%
Total expenditures and transfers	\$ 5,844,732	100.0%	\$ 4,066,862	100.0%

Please refer to pages 44 thru 48 for specific project expenditure information.

At year end, the City had \$5.2 million in Community Preservation Fund general obligation bonds outstanding - \$4 million for the Kessler Woods land acquisition and \$1.2 million for the Angino Farms land acquisition.

A \$1,973,967 receivable for fiscal year 2006 state matching funds was recorded at year end. Reimbursement is expected during the month of October.

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MANAGEMENT DISCUSSION & ANALYSIS

Sewer Utility Fund

Sewer Fund financial statements and supporting schedules are printed on pages 50-53 of this report. The City's sanitary sewer system operating budget was \$19.7 million – 2.6% greater than the final budget for the previous fiscal year. The financing plan for this budget did not rely on a General Fund subsidy.

Fiscal year 2006 sewer rates were \$4.75 per hcf on the first 20 hcf of water consumption; \$5.70 per hcf on the next 50 hcf; and \$6.84 per hcf on all consumption in excess of 70 hcf. These rates are 2.4% greater than 2005 sewer rates.

Sewer fund revenue for the year amounted to \$18.7 million - \$262,498 or 1.4% less than the budget estimate. Total revenues and transfers from other funds amounted to \$19.3 million while expenditures and transfers to other funds were \$18.9 million. Massachusetts Water Resources Authority (MWRA) sewer charges were \$13.9 million or 73.5% of total fund expenditures and transfers. Total fund balance increased by \$349,779 to \$4 million, of which \$1.3 million (7% of total revenue) is available for appropriation for sewer maintenance and operation purposes. No Sewer fund balance has been voted to support the fiscal year 2007 sewer budget.

Water Utility Fund

Water Fund financial statements and supporting schedules are printed on pages 54-57 of this report. The City's water system operating budget was \$14.4 million - \$1.4 million or 10.8% more than the final budget for the previous fiscal year. The financing plan for this budget did not rely on a General Fund subsidy.

Fiscal year 2006 water rates were voted in June of 2004 at \$3.41 per hcf on the first 20 hcf of water consumption; \$4.09 per hcf on the next 50 hcf; and \$4.91 per hcf on all consumption in excess of 70 hcf. These rates are 13.9% greater than 2005 water rates.

Water fund revenue for the year amounted to \$13.6 million – in line with the budget estimate and \$770,186 more than actual expenditures and transfers to other funds. Total fund balance increased to \$5.4 million, of which \$2.7 million (19.9% of total revenue) is available for appropriation for water maintenance and operation purposes. No water surplus has been voted to support the fiscal year 2007 water budget.

Capital Project Funds: Capital Project Funds are used to account for proceeds from the issuance of long term debt and for the expenditure of these funds and other financing sources that the City has appropriated for major capital improvements. The City defines major capital improvements as "...any acquisition, construction, or reconstruction project, with an estimated cost of \$500,000 or more and which is expected to take more than a single fiscal year to complete." Combining level financial statements for the Capital Project Funds are located on pages 61 thru 67 of this report.

The majority of Capital Project activity during the year took place in the High School Improvement Fund, where \$1.8 million in expenditures was made at Newton South High School and \$1.7 million were made at Newton North High School. \$10,260,000 in long term debt was issued during the year to finance Newton South High School renovation expenditures. The High School Improvement Fund ended the year with a \$10.5 million deficit. This deficit, like those of prior years is the result of the fact that the City has yet to complete permanent financing on all project expenditures. A total of \$12.1 million in bond anticipation notes were outstanding at year end to provide interim financing, pending receipt of the final \$8.7 million in Newton South High School school building assistance grant reimbursement and permanent financing of Newton North project costs.

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During the course of fiscal year 2006 the City added \$2.4 million to the Capital Stabilization Fund for future capital project financing. A total of \$9.4 million or 95.9% of the \$9.8 million total fund balance is designated for future year high school improvement costs.

Internal Service Funds: Internal Service Funds are used to account for self insurance activities of the City. Fund financial statements and supporting schedules are included on pages 68 – 72.

The City's largest self insurance fund, the Group Health Self Insurance Fund ended the year with a total fund balance of \$3.6 million, a \$761,896 reduction from the prior year ending fund balance position. The reduction in fund balance is the result of a rapidly deteriorating financial position of the Harvard-Pilgrim Health plan, where claims and related expenditures exceeded program income by \$1.6 million. During this same time period the Tufts Health Plan's revenues exceeded expenditures by \$860,776. Health insurance costs are financed on an 80% - 20% cost sharing basis by the City and its employees and retirees, subject to a specific stop-loss insurance limit of \$250,000.

Total premiums paid into the Group Health Self Insurance Fund by the City and participating employees and retirees were \$37.6 million, a 6.5% increase over total premiums for the fiscal year ended June 30, 2005. During the last two weeks of May, the Mayor authorized a two week contribution holiday to the Group Health Self Insurance Fund in order to eliminate the need for a supplemental General Fund appropriation for retiree health benefits. During this time period neither the City, nor participating employees and retirees made contributions to the Group Health fund. The contribution holiday is estimated to have reduced fund resources by approximately \$1.1 million.

Total group health expenditures for the year were \$38.4 million – \$4.2 million or 12.3% more than the previous fiscal year. Fund expenditures included \$35.8 million in health claims (including a \$6 million estimate of year-end incurred but unreported claims); \$2.2 million in administrative service fees; and \$367.890 in stop-loss insurance premiums.

The City's second largest self insurance fund, the Workers Compensation Self Insurance Fund ended the year with a total fund balance of \$545,043, \$26,697 ahead of where the fund began the year. A total of \$540,402 of the fund balance is available for future workers compensation benefit purposes, and \$4,641 is available for future police and fire injured on duty medical expenditures. Fund assets include \$6.2 million in investments under professional management and \$411,169 in cash. Based upon a June 30, 2005 actuarial valuation of fund liabilities, a \$5.9 liability for future workers compensation benefits payable has been recorded in the fund. A \$65,000 liability was also recorded at year end for retroactive workers compensation benefits payable to employees covered by the Public Works/Public Buildings/Parks and Recreation laborer's union. This liability has been funded with a transfer from the City's General Fund.

Trust and Agency Funds: Trust and Agency Funds are used to account for assets held by the City in a trustee or custodial purpose. Information on activity in the trust and agency funds in the custody of the City is presented on pages 73 to 83.

Effective July 1, 2006 City private purpose trust funds formerly included as sub funds in the Expendable and Non Expendable Trust Funds have been reclassified to individual trust fund status. This allows for more efficient financial reporting to fund trustees and other interested parties.

During fiscal year 2006, the City received a \$50,000 gift in the form of the Arnold Daniels Trust Fund. At year end the City had neither formally accepted this trust nor adopted the necessary ordinance to provide for governance of the fund and investment of fund assets. Pending formal approval of the fund, investment income at money market rates has been credited to the fund on a quarterly basis by the Comptroller's Office.

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In March of 2003, the Board of Aldermen voted to establish a voluntary property tax check-off program in order to establish a fund for purposes of defraying real estate taxes for elderly and disabled low income Newton taxpayers. During the year ended June 30, 2006, Newton taxpayers contributed \$16,823 to the fund and the Comptroller's Office credited \$605 in money market investment income. The tax aid committee made \$15,000 in awards from the fund during the year, leaving the fund with a year end fund balance of \$9,869.

General Long Term Debt Account Group: The General Long Term Debt Account Group is used to account for long term liabilities of the City. Long term liabilities are those which the City does not expect to liquidate with current resources. The City's long term liabilities amounted to \$71.5 million at June 30, 2005 and consisted of the following:

<u>General Long Term Debt Liabilities</u>		
	<u>6/30/2006</u>	<u>6/30/2005</u>
General obligation bonds payable	\$ 68,289,974	\$ 59,608,799
State pension benefit loan	2,600,000	2,600,000
Capital leases payable	-	-
Landfill closure monitoring costs payable	734,800	768,200
Compensated absences		
Vacation & compensatory time	2,312,155	2,233,015
Special leave termination benefits	2,184,274	2,037,278
Enhanced longevity benefits	4,095,000	4,248,000
Total long term liabilities	<u>\$ 80,216,203</u>	<u>\$ 71,495,292</u>

At June 30, 2006 the City had \$68.3 million in general obligation bonds outstanding, of which \$35.7 million (52.3%) of which were related to school projects; \$11.6 million (17%) of which were related to sewer system improvements; \$11.7 million (17.1%) of which were related to water system improvements; and \$5.2 million (7.6%) of which was related to Community Preservation land acquisition bonds; \$1.8 million (2.6%) were issued for landfill closure purposes; \$1.7 million of which were for public works and fire equipment replacement (2.5%); and \$524,000 for street improvements.

During the year, the City issued \$16.5 million in new debt and retired \$7.8 million in existing bonds. Pages 84 and 85 provide more detailed information on the City's bonded debt.

Total authorized and unissued debt at year-end amounted to \$42.1 million, net of \$12.1 million in high school renovation bond anticipation notes outstanding. During the year, \$15.7 million in new debt was authorized by the Mayor and Board of Aldermen and \$36.7 million in existing authorizations were rescinded. The rescinded authorizations included: \$126,000 in unneeded street improvement loan authorizations; \$50,120 in unnecessary Newton South High School design authorizations; and \$36.5 million in Newton North High School renovation authorizations. The Newton South authorization was rescinded as a result of a redefinition of the Newton North project from a renovation to a new construction project. A summary of all authorized and unissued debt is presented on page 87.

General Capital Assets Account Group: The Capital Asset Account Group is used to account for the City's investment in major capital assets. Capital assets include land; buildings; equipment (with an original cost of \$15,000 or more); water/sewer infrastructure; and street, sidewalk and drainage infrastructural improvements. All capital assets are valued at historical cost for reporting purposes.

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The City, like most Massachusetts municipalities, has not historically included capital asset information in its accounting records. In fiscal year 2001, in response to new external financial reporting requirements from the Governmental Accounting Standards Board, the City began accounting for all new capital assets and accumulated historical cost information all existing capital assets except for certain infrastructural capital assets. During the fiscal year ended June 30, 2005 the City completed the research necessary in order to add all infrastructure placed in service prior to July 1, 2001 to the City's accounting records.

The City's investment in capital assets, net of \$134.1 million in accumulated depreciation, amounted to \$247.4 million at June 30, 2006. A total of \$12.8 million in new capital assets were added during fiscal year 2006, \$4.2 million of which was related to building improvements; \$2.6 million was equipment; \$1.2 million was road infrastructure improvements; \$2.6 million was water system infrastructure; \$349,905 was sewer system infrastructure improvements; and \$1.8 million represented construction in progress.

Newton Retirement System: Comparative financial statements for the Contributory Trust Fund are presented on pages 91 and 92. Newton Contributory Retirement System net assets increased by \$7.3 million or 3% to \$246.8 million at December 31, 2005. The System achieved a 7% return on invested assets for the year, short of the 8% actuarial assumed rate of return on system assets.

The unfunded actuarial liability of the fund at December 31, 2005 was \$129.3 million, - \$12.5 million (10.7%) more than the December 31, 2004 unfunded actuarial liability. At December 31, 2005 the funded status of the Newton Contributory Retirement System declined to at 66.2% as result of a combination of mortality losses and the 100 basis point difference between investment actual and actuarial return assumptions for the year. Existing Massachusetts pension law requires that all local retirement systems be fully funded by the year 2028.

In an attempt to achieve returns more in line with actuarial assumptions, the Retirement Board has revised the investment portfolio's asset allocation plan effective January 1, 2006 to include a 3% commitment to private equity and a 5% commitment to hedge funds. Both of the alternative asset class investments will be managed by the Commonwealth of Massachusetts Pension Reserve Investment Management Board. The Retirement Board has also voted to replace two passive large cap domestic equity managers with active large cap growth managers; has reduced the allocation to domestic fixed income investments and added international fixed income investments and additional real estate allocations. The cash position of the Retirement Fund at December 31 was in anticipation of the funding of the hedge fund allocation the first week of January.

At December 31, 2005 the Newton Retirement System had a total of 1,782 active members; 447 inactive members; and 1,346 retirees and beneficiaries. Total retirement benefits paid during year amounted to \$25 million, an increase of \$1.9 million or 8% over total benefits paid for the year ended December 31, 2004.

A copy of the Newton Retirement Board's detailed Annual Financial Report to the Commonwealth of Massachusetts Public Employee Retirement Administration Commission is available from the Retirement Board Office.

Requests for Information

This report is designed solely to provide a general overview of the City's finances on a budgetary or statutory basis of accounting. Detailed information concerning the financial position and operating results of the City on a combined, combining, and individual fund level is included in the financial statements and supporting schedules that make up the Annual Financial Report. Questions concerning any information included in the report or requests for additional information should be addressed to the Comptroller's Office, 1000 Commonwealth Avenue, Newton, Massachusetts 02459 or e-mailed to dwilkinson@newtonma.gov.

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**COMBINED FINANCIAL STATEMENTS
and
SCHEDULE OF INTER-FUND TRANSFERS**

CITY OF NEWTON, MASSACHUSETTS
COMBINED BALANCE SHEET-BUDGETARY BASIS
June 30, 2006

	General Fund	Special Revenue Funds	Capital Project Funds	Internal Service Funds	Trust & Agency Funds	Long Term Debt Account Group	Capital Asset Account Group	Combined Total (Memorandum Only)	Newton Retirement System (December 31, 2005)
ASSETS:									
Cash and temporary investments	\$ 36,513,113	\$ 21,284,162	\$ 24,012,527	\$ 10,163,352	\$ 3,760,538	\$ -	\$ -	\$ 95,733,692	\$ 22,762,423
Investments (at fair market value)	-	939,054	-	7,808,096	7,230,808	-	-	15,977,958	223,471,191
Total cash & investments	36,513,113	22,223,216	24,012,527	17,971,448	10,991,346	-	-	111,711,650	246,233,614
Real estate and personal property taxes receivable	108,289,399	64,100	-	-	-	-	-	108,353,499	-
Deferred real estate taxes receivable	2,100,394	-	-	-	-	-	-	2,100,394	-
Other accounts receivable:									
Motor vehicle/boat excise taxes	1,690,145	-	-	-	-	-	-	1,690,145	-
Tax/utility liens & foreclosures	1,564,007	283,418	-	-	-	-	-	1,847,425	-
Water & sewer use charges receivable	-	5,033,557	-	-	-	-	-	5,033,557	-
Parking violations fines receivable	3,124,401	-	-	-	-	-	-	3,124,401	-
Departmental & other accounts receivable	6,846,027	11,588	-	14,374	-	-	-	6,871,989	221,511
Special assessments	375,076	114,462	-	-	-	-	-	489,538	-
Interest & dividends	-	459,341	-	-	-	-	-	459,341	21,706
Loans and notes receivable	-	7,813,861	-	-	135,761	-	-	7,949,622	-
State and federal grant reimbursements receivable	9,966,456	6,667,509	8,917,794	-	-	-	-	25,551,759	695,609
Due from Other Funds	716,727	-	-	-	-	-	-	716,727	-
Capital assets, (net of accumulated depreciation of \$134,131,648)	-	-	-	-	-	-	247,440,777	247,440,777	-
Other assets	724	4,395	-	347,717	-	-	-	352,836	-
Amount to be provided for long term obligations	-	-	-	-	-	80,216,203	-	80,216,203	-
Total Assets	171,186,469	42,675,447	32,930,321	18,333,539	11,127,107	80,216,203	247,440,777	603,909,863	247,172,440
LIABILITIES AND FUND BALANCES:									
Warrants payable	3,302,390	699,714	383,472	23,480	19,907	-	-	4,428,963	-
Accrued expenses	1,725,632	710,323	2,121,490	155,272	-	-	-	4,712,717	353,412
Accrued payroll and payroll deductions	7,719,799	728,030	73	65,000	1,879,740	-	-	10,392,642	-
Revenue refunds payable	7,463	105,484	-	-	-	-	-	112,947	-
Due to Other Funds	-	684,323	32,404	-	-	-	-	716,727	-
Security deposits and other liabilities	705,286	396,163	-	-	512,879	-	-	1,614,328	-
Notes payable	-	-	12,060,000	-	-	-	-	12,060,000	-
Advance tax collections	162,093	-	-	-	-	-	-	162,093	-
Provision for property tax abatements & exemptions (overlays)	7,789,600	-	-	-	-	-	-	7,789,600	-
Abandoned property/tailings	891,167	-	-	-	-	-	-	891,167	-
Deferred revenue	124,792,368	8,059,849	8,707,753	-	-	-	-	141,559,970	-
General obligation bonds payable	-	-	-	-	-	68,289,974	-	68,289,974	-
State pension benefit loan payable	-	-	-	-	-	2,600,000	-	2,600,000	-
Estimated landfill post closure monitoring costs payable	-	-	-	-	-	734,800	-	734,800	-
Accrued compensated absences	-	-	-	-	-	8,591,429	-	8,591,429	-
Workers compensation & health benefits payable	-	-	-	11,824,577	-	-	-	11,824,577	-
Total Liabilities	147,095,798	11,383,886	23,305,192	12,068,329	2,412,526	80,216,203	-	276,481,934	353,412
Investment in capital assets	-	-	-	-	-	-	247,440,777	247,440,777	-
Reserved/Designated fund balances	6,701,165	31,291,561	9,625,129	6,265,210	8,714,581	-	-	62,597,646	246,819,028
Unreserved/Undesignated fund balances	17,389,506	-	-	-	-	-	-	17,389,506	-
Total Fund Balances	24,090,671	31,291,561	9,625,129	6,265,210	8,714,581	-	247,440,777	327,427,929	246,819,028
Total Liabilities & Fund Balances	\$ 171,186,469	\$ 42,675,447	\$ 32,930,321	\$ 18,333,539	\$ 11,127,107	\$ 80,216,203	\$ 247,440,777	\$ 603,909,863	\$ 247,172,440

CITY OF NEWTON, MASSACHUSETTS
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
Fiscal Year ended June 30, 2006
(Newton Retirement System fiscal year ended December 31, 2005)

	General Fund	Special Revenue Funds	Capital Project Funds	Internal Service Funds	Trust & Agency Funds	Combined Totals (Memorandum Only)	December 31, 2005 Newton Retirement System
REVENUES:							
Real estate and personal property taxes	\$ 200,233,921	\$ 1,979,000	\$ -	\$ -	\$ -	\$ 202,212,921	\$ -
Motor vehicle excise taxes	10,750,647	-	-	-	-	10,750,647	-
Penalties and interest on taxes	824,950	5,081	-	-	-	830,031	-
Payments in lieu of taxes	418,202	-	-	-	-	418,202	-
Hotel room occupancy taxes	1,060,052	-	-	-	-	1,060,052	-
Charges for service	1,639,979	43,162,590	-	37,118,993	-	81,921,562	-
Fines and forfeitures	1,972,840	-	-	-	-	1,972,840	-
Licenses and permits	6,515,917	-	-	-	-	6,515,917	-
Investment income	3,055,801	394,462	286,030	747,124	379,135	4,862,552	14,930,983
Special assessments	55,808	40,033	-	-	-	95,841	-
Miscellaneous local revenue	1,026,373	1,814,010	-	130,230	232,797	3,203,410	17,409,638
Intergovernmental revenue	20,125,098	18,554,053	567,466	-	-	39,246,617	1,350,801
Total Revenue	<u>247,679,588</u>	<u>65,949,229</u>	<u>853,496</u>	<u>37,996,347</u>	<u>611,932</u>	<u>353,090,592</u>	<u>33,691,422</u>
EXPENDITURES:							
General government	12,709,161	1,041,360	-	-	-	13,750,521	-
Public safety	30,382,420	2,546,370	10,201	-	-	32,938,991	-
Education	134,804,237	19,300,790	4,360,685	-	278,123	158,743,835	-
Public works	19,288,043	5,835,805	3,738,909	-	-	28,862,757	-
Health and human services	3,156,455	8,435,164	-	-	102,351	11,693,970	-
Culture and recreation	9,921,332	2,329,063	-	-	-	12,250,395	-
Debt and interest	7,245,009	3,177,407	-	-	-	10,422,416	-
Pensions & employee/ retiree benefits	18,525,153	472,148	-	40,288,256	-	59,285,557	26,367,485
State assessments and charges	5,209,013	21,298,006	-	-	-	26,507,019	-
Total Expenditures	<u>241,240,823</u>	<u>64,436,113</u>	<u>8,109,795</u>	<u>40,288,256</u>	<u>380,474</u>	<u>354,455,461</u>	<u>26,367,485</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>6,438,765</u>	<u>1,513,116</u>	<u>(7,256,299)</u>	<u>(2,291,909)</u>	<u>231,458</u>	<u>(1,364,869)</u>	<u>7,323,937</u>
Transfers from other funds	3,350,924	3,074,163	2,526,136	1,595,046	1,081,762	11,628,031	-
Transfers to other funds	(5,439,296)	(4,179,394)	(649,997)	(277,582)	(1,081,762)	(11,628,031)	-
Excess/(Deficiency) of revenues & transfers in over expenditures & transfers out:	<u>4,350,393</u>	<u>407,885</u>	<u>(5,380,160)</u>	<u>(974,445)</u>	<u>231,458</u>	<u>(1,364,869)</u>	<u>7,323,937</u>
Other financing sources	-	3,074,378	16,473,544	-	-	19,547,922	-
Other financing uses	-	-	-	-	-	-	-
Excess/(Deficiency) of revenues, transfers in & other sources over expenditures, transfers out & other uses:	<u>4,350,393</u>	<u>3,482,263</u>	<u>11,093,384</u>	<u>(974,445)</u>	<u>231,458</u>	<u>18,183,053</u>	<u>7,323,937</u>
Fund Balance - beginning of fiscal year	<u>19,740,278</u>	<u>27,809,298</u>	<u>(1,468,255)</u>	<u>7,239,655</u>	<u>8,483,123</u>	<u>61,804,099</u>	<u>239,495,091</u>
Fund Balance - end of fiscal year	<u>\$ 24,090,671</u>	<u>\$ 31,291,561</u>	<u>\$ 9,625,129</u>	<u>\$ 6,265,210</u>	<u>\$ 8,714,581</u>	<u>79,987,152</u>	<u>\$ 246,819,028</u>
Plus: Investment in Capital Assets						<u>247,440,777</u>	
Total Fund Balances:						<u>\$ 327,427,929</u>	

CITY OF NEWTON, MASSACHUSETTS
INTER-FUND TRANSFER SCHEDULE
Fiscal Year ended June 30, 2006

Transfer Purpose	General Fund	Special Revenue Funds	Capital Project Funds	Internal Service Funds	Trust Funds	Total All Funds
School Workers Compensation fund contribution - #110-05(2)	\$ (350,000)	\$ -	\$ -	\$ 350,000	\$ -	\$ -
Municipal Workers Compensation fund contribution - #110-05(2)	(1,001,352)	-	-	1,001,352	-	-
Sewer Workers Compensation fund contribution - #110-05(2)	-	(100,837)	-	100,837	-	-
Water Workers Compensation fund contribution - #110-05 (2)	-	(142,857)	-	142,857	-	-
School Lunch fund subsidy	(907,691)	907,691	-	-	-	-
School Student Athletic Revolving fund subsidy	(871,198)	871,198	-	-	-	-
High School Renovation Project subsidy - capital stabilization fund - #357-05	(2,083,739)	-	2,083,739	-	-	-
Parking Meter Receipts Reserved fund subsidy of street lighting - #110-05(2)	702,832	(702,832)	-	-	-	-
Parking Meter Receipts Reserved fund - street light pole repairs - #251-05	16,000	(16,000)	-	-	-	-
Parking Meter Receipts Reserved fund -parking meter replacement - #163-06	40,000	(40,000)	-	-	-	-
Water Fund administration and support reimbursement - #110-05(2)	473,366	(473,366)	-	-	-	-
Water Fund administration reimbursement to Sewer Fund - #110-05(2)	-	(545,765)	-	-	-	(545,765)
Water Fund administration reimbursement to Sewer Fund - #110-05(2)	-	545,765	-	-	-	545,765
Water Fund legal claim - #374-05	7,500	(7,500)	-	-	-	-
Sewer Fund administration and support reimbursement - #110-05(2)	710,050	(710,050)	-	-	-	-
Sale of Recyclable Materials Receipts Reserved fund - solid waste collection/disposal - #110-05(2)	200,000	(200,000)	-	-	-	-
BAA Marathon Receipts Reserved fund - playground improvements - #231-05	55,000	(55,000)	-	-	-	-
BAA Marathon Receipts Reserved fund - playground improvements - #263-06	30,000	(30,000)	-	-	-	-
CATV Receipts Reserved fund - Planning staff - #110-05(2)	125,000	(125,000)	-	-	-	-
CATV Receipts Reserved fund - Planning staff out of state travel - #304-05	1,691	(1,691)	-	-	-	-
CATV Receipts Reserved fund - Wireless technology consultant - #116-06	10,000	(10,000)	-	-	-	-
E-Rate Receipts Reserved fund - Library technology - #211-06	5,500	(5,500)	-	-	-	-
Newton Commonwealth Mayor's Golf Days Receipts Reserved fund - PRIDE contribution - #252-05	14,406	(14,406)	-	-	-	-
Community Preservation Fund - legal services - #110-05(2)	30,000	(30,000)	-	-	-	-
Municipal Building Self Insurance Fund - building insurance premiums - #110-05(2)	277,582	-	-	(277,582)	-	-
Capital stabilization fund - debt issuance and interest costs - #357-02(2)	458,625	-	(458,625)	-	-	-
Capital stabilization fund - NSHS construction close out legal assistance - #452-05	25,000	-	(25,000)	-	-	-
Capital stabilization fund - City Hall conference room improvements - #38-06	9,092	-	(9,092)	-	-	-
Capital stabilization fund - Fire station sliding pole repairs - #231-06	15,000	-	(15,000)	-	-	-
Capital stabilization fund - Environmental remediation - #232-06	142,280	-	(142,280)	-	-	-
Reclassify beginning balance in Highway improvement fund to Capital Project Funds	-	(132,459)	132,459	-	-	-
Reclassify beginning balances school revolving fund balances to new School Revolving Fund	-	(741,837)	-	-	-	(741,837)
Reclassify beginning balances school revolving fund balances to new School Revolving Fund	-	741,837	-	-	-	741,837
Reclassify beginning balance in Swain Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	39,742	39,742
Reclassify beginning balance in Oak Hill Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	41,241	41,241
Reclassify beginning balance in Newton High Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	12,264	12,264
Reclassify beginning balance in NNHS Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	528,544	528,544
Reclassify beginning balance in Ferguson Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	50,375	50,375
Reclassify beginning balance in Val lone Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	5,736	5,736
Reclassify beginning balance in Ellicker Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	35,164	35,164
Reclassify beginning balance in NSHS Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	116,863	116,863
Reclassify beginning balance in Morgenthal Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	2,423	2,423
Reclassify beginning balance in Solomon Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	10,462	10,462
Reclassify beginning balance in Betts Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	8,662	8,662
Reclassify beginning balance in Cunningham Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	4,039	4,039
Reclassify beginning balance in Aldermanic Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	7,151	7,151
Reclassify beginning balance in Fig Newton Fund from Expendable and Non Expendable Trust Funds to individual trust	-	-	-	-	40,398	40,398

CITY OF NEWTON, MASSACHUSETTS
INTER-FUND TRANSFER SCHEDULE
Fiscal Year ended June 30, 2006

Transfer Purpose	General Fund	Special Revenue Funds	Capital Project Funds	Internal Service Funds	Trust Funds	Total All Funds
Reclassify beginning balance in Student Athletic Fund from Expendable and Non Expendable Trust Funds to individual trust					62,074	62,074
Reclassify beginning balance in Kendrick Fund from Expendable and Non Expendable Trust Funds to individual trust					3,162	3,162
Reclassify beginning balance in Read Fund from Expendable and Non Expendable Trust Funds to individual trust					43,566	43,566
Reclassify beginning balance in Spear Fund from Expendable and Non Expendable Trust Funds to individual trust					3,963	3,963
Reclassify beginning balance in Mabel Riley Fund from Expendable and Non Expendable Trust Funds to individual trust					32,329	32,329
Reclassify beginning balance in Tax Relief Fund from Expendable and Non Expendable Trust Funds to individual trust					7,441	7,441
Reclassify beginning balance in Gorin Fund from Expendable and Non Expendable Trust Funds to individual trust					26,163	26,163
Reclassify individual trust balances from Non Expendable Trust					(174,054)	(174,054)
Reclassify individual trust balances from Expendable Trust					(907,708)	(907,708)
Completed special appropriation balances closed to capital stabilization fund						
Treasurer's office technology	(3,703)		3,703			-
Ordinance recodification project	(1,930)		1,930			-
CATV licensing	(777)		777			-
Police handicapped improvements	(17)		17			-
Brown Middle School science lab improvements	(17,815)		17,815			-
Countryside Elementary school generator replacement	(35,824)		35,824			-
Defibrillator replacement	(1,208)		1,208			-
Drainage improvements	(137)		137			-
Turf upgrade	(70)		70			-
Newton History Museum electrical improvements	(1,163)		1,163			-
Completed traffic mitigation fund traffic study balances closed to receipts reserved fund	(7,672)	7,672			-	-
Federal Law Enforcement Block Grant - return of 2005 local match	2,000	(2,000)				-
Mass DEP Sewer Rate Relief grant - sewer system improvements - #210-06		(2,541)	2,541			-
Eliot Street DPW Yard fuel tank replacement - #233-06(B)	(155,000)		155,000			-
Eliot Street DPW Sewer Yard fuel tank replacement - #233-06(B)		(44,876)	44,876			-
Elliot Street DPW Water Yard fuel tank replacement - #233-06 (B)	-	(44,877)	44,877	-		-
Total Transfers	\$ (2,088,372)	\$ (1,105,231)	\$ 1,876,139	\$ 1,317,464	\$ -	\$ -
Transfer Re-Cap:						
Transfers from Other Funds	\$ 3,350,924	\$ 3,074,163	\$ 2,526,136	\$ 1,595,046	\$ 1,081,762	\$ 11,628,031
Transfers to Other Funds	(5,439,296)	(4,179,394)	(649,997)	(277,582)	(1,081,762)	(11,628,031)
Net transfers:	\$ (2,088,372)	\$ (1,105,231)	\$ 1,876,139	\$ 1,317,464	\$ -	\$ -

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GENERAL FUND

FINANCIAL STATEMENTS
and
SUPPORTING SCHEDULES

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
COMPARATIVE BALANCE SHEET - BUDGETARY BASIS
June 30, 2006
(with comparative information for June 30, 2005)

	June 30, 2006	June 30, 2005	\$ Change	% Change
ASSETS:				
Petty cash	\$ 8,100	\$ 7,700	\$ 400	5.2%
Cash & temporary investments	36,505,013	31,348,270	5,156,743	16.4%
Total Cash & investments	36,513,113	31,355,970	5,157,143	16.4%
Personal property tax - following year	1,768,310	1,779,542	(11,232)	-0.6%
Personal property tax - current year	160,395	86,644	73,751	85.1%
Personal property tax - prior years	210,325	448,362	(238,037)	-53.1%
Real estate tax - following year	102,007,578	98,280,346	3,727,232	3.8%
Real estate tax - current year	2,911,679	3,077,824	(166,145)	-5.4%
Real estate tax - prior years	1,225,632	375,142	850,490	226.7%
Total Property taxes receivable	108,283,919	104,047,860	4,236,059	4.1%
Tax liens receivable	1,509,534	1,685,031	(175,497)	-10.4%
Taxes in litigation	5,480	6,200	(720)	-11.6%
Deferred real estate taxes receivable	2,100,394	2,164,695	(64,301)	-3.0%
Total Other property taxes receivable	3,615,408	3,855,926	(240,518)	-6.2%
Motor excise tax - current year	505,339	668,048	(162,709)	-24.4%
Motor excise tax - prior years	1,175,227	1,155,084	20,143	1.7%
Boat excise taxes	9,579	32,436	(22,857)	-70.5%
Total Motor vehicle excise taxes receivable	1,690,145	1,855,568	(165,423)	-8.9%
Parking violations receivable	3,124,401	2,945,297	179,104	6.1%
Warren school ground lease receivable - 2056	1,500,000	1,500,000	-	0.0%
"Starck" structured settlement receivable - 2006	2,850,000	2,850,000	-	0.0%
Special assessments receivable	375,076	448,615	(73,539)	-16.4%
State School Building Assistance reimbursements	9,375,084	12,168,193	(2,793,109)	-23.0%
MWPAT loan subsidies receivable	468,593	495,879	(27,286)	-5.5%
Other State & federal grants receivable	122,779	56,957	65,822	115.6%
Accrued Interest Receivable	-	7,097	(7,097)	0.0%
121A Deferred taxes receivable	2,360,426	2,363,794	(3,368)	-0.1%
Other departmental accounts receivable	135,601	71,785	63,816	88.9%
Total Departmental accounts receivable	20,311,960	22,907,617	(2,595,657)	-11.3%

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
COMPARATIVE BALANCE SHEET - BUDGETARY BASIS
June 30, 2006
(with comparative information for June 30, 2005)

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>\$ Change</u>	<u>% Change</u>
Tax foreclosure properties	54,473	54,473	-	0.0%
Due from Other Funds	716,727	211,505	505,222	238.9%
Advances & pre-paid items	724	12,834	(12,110)	-94.4%
Other Assets	771,924	278,812	493,112	176.9%
Total Assets	<u>171,186,469</u>	<u>164,301,753</u>	<u>6,884,716</u>	<u>4.2%</u>
LIABILITIES & FUND BALANCES:				
Warrants payable	3,302,390	2,972,233	330,157	11.1%
Accrued expenses	1,725,632	1,763,515	(37,883)	-2.1%
Accrued payroll	7,719,799	7,222,437	497,362	6.9%
Revenue refunds payable	7,463	-	7,463	N/A
Advance tax collections	162,093	151,200	10,893	7.2%
Deposits & other liabilities	705,286	563,741	141,545	25.1%
Provision for abatements/exemptions - current year	2,244,957	1,682,026	562,931	33.5%
Provision for abatements/exemptions - prior years	5,544,643	4,804,554	740,089	15.4%
Abandoned property/tailings	891,167	901,526	(10,359)	-1.1%
Deferred revenue	124,792,368	124,500,243	292,125	0.2%
Total Liabilities	147,095,798	144,561,475	2,534,323	1.8%
Fund Balance - Encumbrances and continuing appropriations	4,992,341	4,913,203	79,138	1.6%
Fund Balance - Following year budget	1,700,000	2,200,000	(500,000)	-22.7%
Fund Balance - Travel and payroll advances	724	12,834	(12,110)	-94.4%
Fund Balance - Petty cash	8,100	7,700	400	5.2%
Undesignated Fund Balance	17,389,506	12,606,541	4,782,965	37.9%
Total Fund Balances	24,090,671	19,740,278	4,350,393	22.0%
Total Liabilities & Fund Balances	\$ <u>171,186,469</u>	\$ <u>164,301,753</u>	\$ <u>6,884,716</u>	<u>4.2%</u>

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Original Budget	Final Budget	Revenues and Expenditures	Encumbrances and Cont. Appropriations	Closed to Fund Balance	% Budget
REVENUES:						
Real estate and personal property taxes	\$ 197,978,128	\$ 198,431,418	\$ 200,233,921	\$ -	\$ 1,802,503	0.9%
Motor vehicle excise taxes	10,814,399	11,014,399	10,750,647	-	(263,752)	-2.4%
Penalties and interest on taxes	957,072	957,072	824,950	-	(132,122)	-13.8%
Payments in lieu of taxes	340,010	385,010	418,202	-	33,192	8.6%
Hotel room occupancy taxes	1,127,752	1,061,324	1,060,052	-	(1,272)	-0.1%
Charges for service	1,629,293	1,396,593	1,639,979	-	243,386	17.4%
Fines and forfeitures	1,900,512	1,900,512	1,972,840	-	72,328	3.8%
Licenses and permits	3,095,452	3,101,880	6,515,917	-	3,414,037	110.1%
Investment income	1,350,000	1,400,000	3,055,801	-	1,655,801	118.3%
Special assessments	27,478	25,178	55,808	-	30,630	121.7%
Miscellaneous local revenue	385,870	542,036	1,026,373	-	484,337	89.4%
Intergovernmental	18,107,881	20,147,887	20,125,098	-	(22,789)	-0.1%
Total revenues	237,713,847	240,363,309	247,679,588	-	7,316,279	3.0%
EXPENDITURES:						
General Government:						
City Clerk/Clerk of the Board of Aldermen	1,003,228	1,075,904	1,033,939	12,163	29,802	2.8%
Mayor's Office	618,285	639,036	617,970	-	21,066	3.3%
Comptroller/Property & Liability Insurance	821,657	835,664	810,003	13,880	11,781	1.4%
Purchasing/General Services	458,195	469,854	414,858	3,115	51,881	11.0%
Assessing	1,120,009	1,166,932	1,146,064	-	20,868	1.8%
Treasury/Collections/Parking Violations	1,000,379	1,068,119	1,049,586	10,722	7,811	0.7%
City Solicitor/Judgments & Settlements	1,127,406	1,296,607	1,292,009	-	4,598	0.4%
Human Resources	996,201	1,063,088	863,332	26,236	173,520	16.3%
Information Technology	906,032	938,041	878,736	-	59,305	6.3%
Election Commission	595,335	604,728	564,405	2,380	37,943	6.3%
Licensing	1,896	1,896	1,589	-	307	16.2%
Planning & Development	940,507	1,024,600	966,599	32,962	25,039	2.4%
Public Buildings	2,204,162	2,355,331	2,337,572	13,135	4,624	0.2%
Public Safety:						
Police	14,924,604	16,124,041	16,058,751	19,420	45,870	0.3%
Fire	13,035,187	13,228,793	12,980,803	28,440	219,550	1.7%
Inspection Services	862,612	954,829	950,385	1,644	2,800	0.3%
Civil Defense	14,671	14,404	14,399	-	5	0.0%
Sealer of Weights & Measures	62,824	65,469	63,712	-	1,757	2.7%
Ambulance Service	2,000	2,000	-	-	2,000	100.0%
Education	137,588,369	135,889,480	134,803,237	1,085,200	1,043	0.0%
Public Works	17,897,314	19,633,621	19,263,826	201,761	168,034	0.9%

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Original Budget	Final Budget	Revenues and Expenditures	Encumbrances and Cont. Appropriations	Closed to Fund Balance	% Budget
Health and Human Services:				-		
Health and Human Services:	2,430,946	2,563,585	2,464,991	4,350	94,244	3.7%
Senior Services	488,082	500,593	490,368	-	10,225	2.0%
Veteran Services	181,899	188,349	182,603	-	5,746	3.1%
Culture and Recreation:						
Newton Public Library	4,636,486	4,885,684	4,869,247	-	16,437	0.3%
Parks & Recreation	4,040,343	4,783,834	4,631,064	2,840	149,930	3.1%
Newton History Museum	200,782	214,529	199,437	-	15,092	7.0%
Debt Maturities & Interest	6,881,388	7,295,013	7,245,009	-	50,004	0.7%
Retirement benefits	18,496,021	18,531,250	18,525,153	-	6,097	0.0%
Reserve Fund (Budget Reserve)	695,000	14,721	-	-	14,721	100.0%
Wage/Salary Reserve	4,364,670	1,462,724	-	1,462,724	-	0.0%
State assessments and charges	5,061,806	5,154,100	5,209,013	-	(54,913)	-1.1%
Special appropriations	2,862,714	3,383,532	1,312,163	2,071,369	-	0.0%
Total expenditures	246,521,010	247,430,351	241,240,823	4,992,341	1,197,187	0.5%
Excess/(deficiency) of revenues over expenditures	(8,807,163)	(7,067,042)	6,438,765	(4,992,341)		
OTHER FINANCING SOURCES (USES):						
Transfers in	2,518,830	3,348,924	3,350,924	-	2,000	0.1%
Transfers out	(824,870)	(5,441,296)	(5,439,296)	-	2,000	0.0%
Total other financing sources and uses	1,693,960	(2,092,372)	(2,088,372)	-	4,000	-0.2%
Net change in fund balances	(7,113,203)	(9,159,414)	4,350,393			
Fund Balance - beginning of fiscal year	19,740,278	19,740,278	19,740,278			
Fund Balance - end of fiscal year	\$ 12,627,075	\$ 10,580,864	\$ 24,090,671			

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
Fiscal Year Ended June 30, 2006

	Fiscal Year Ended June 30, 2006	% Total	Fiscal Year Ended June 30, 2005	% Total	Fiscal Year Ended June 30, 2004	% Total	Fiscal Year Ended June 30, 2003	% Total	Fiscal Year Ended June 30, 2002	% Total	Fiscal Year Ended June 30, 2001	% Total
REVENUES:												
Real estate and personal property taxes	\$ 200,233,921	80.8%	\$ 193,592,595	81.6%	\$ 187,068,791	82.3%	\$ 179,656,942	80.1%	\$ 161,228,674	78.6%	\$ 155,869,401	78.1%
Motor vehicle excise taxes	10,750,647	4.3%	11,467,867	4.8%	10,258,796	4.5%	10,645,450	4.7%	9,848,559	4.8%	9,747,954	4.9%
Penalties and interest on taxes	824,950	0.3%	1,225,225	0.5%	957,072	0.4%	1,027,184	0.5%	791,560	0.4%	733,234	0.4%
Payments in lieu of taxes	418,202	0.2%	394,562	0.2%	340,010	0.1%	377,867	0.2%	309,695	0.2%	394,209	0.2%
Hotel room occupancy taxes	1,060,052	0.4%	979,194	0.4%	851,157	0.4%	1,151,838	0.5%	1,291,950	0.6%	1,430,627	0.7%
Charges for service	1,639,979	0.7%	1,336,523	0.6%	1,565,134	0.7%	1,860,918	0.8%	1,303,745	0.6%	1,215,964	0.6%
Licenses & permits	6,515,917	2.6%	4,867,719	2.1%	3,956,511	1.7%	4,307,738	1.9%	4,155,923	2.0%	3,478,180	1.7%
Fines & forfeitures	1,972,840	0.8%	1,968,319	0.8%	1,900,512	0.8%	1,706,197	0.8%	1,578,307	0.8%	1,561,976	0.8%
Investment income	3,055,801	1.2%	1,529,059	0.6%	879,801	0.4%	1,050,543	0.5%	1,758,632	0.9%	2,510,034	1.3%
Special assessments	55,808	0.0%	22,910	0.0%	27,478	0.0%	38,830	0.0%	40,768	0.0%	71,214	0.0%
Other local revenue	1,026,373	0.4%	617,318	0.3%	698,920	0.3%	1,098,334	0.5%	714,611	0.3%	309,373	0.2%
Intergovernmental	20,125,098	8.1%	19,358,021	8.2%	18,927,380	8.3%	21,497,872	9.6%	22,109,452	10.8%	22,293,984	11.2%
Total Revenue	<u>247,679,588</u>	<u>100.0%</u>	<u>237,359,312</u>	<u>100.0%</u>	<u>227,431,562</u>	<u>100.0%</u>	<u>224,419,713</u>	<u>100.0%</u>	<u>205,131,876</u>	<u>100.0%</u>	<u>199,616,150</u>	<u>100.0%</u>
EXPENDITURES:												
General government	12,709,161	5.3%	12,872,860	5.5%	12,934,444	5.7%	12,296,751	5.6%	11,789,679	5.8%	11,260,290	5.7%
Public safety	30,382,420	12.6%	30,325,400	12.9%	30,183,291	13.3%	29,746,441	13.5%	28,759,960	14.1%	26,188,633	13.3%
Education	134,804,237	55.9%	130,432,778	55.4%	126,117,751	55.7%	121,985,506	55.5%	112,064,261	54.9%	107,602,713	54.5%
Public works	19,288,043	8.0%	20,242,471	8.6%	18,418,185	8.1%	18,208,553	8.3%	16,591,780	8.1%	17,615,325	8.9%
Health & human services	3,156,455	1.3%	3,117,371	1.3%	3,092,703	1.4%	2,850,501	1.3%	2,637,027	1.3%	2,578,073	1.3%
Culture & recreation	9,921,332	4.1%	9,951,799	4.2%	9,262,593	4.1%	9,109,104	4.1%	8,214,114	4.0%	8,365,545	4.2%
Debt & interest	7,245,009	3.0%	6,387,369	2.7%	6,255,912	2.8%	6,571,462	3.0%	6,362,349	3.1%	5,713,972	2.9%
Pensions & retiree benefits	18,525,153	7.7%	17,009,618	7.2%	15,085,053	6.7%	14,002,356	6.4%	12,629,861	6.2%	12,859,584	6.5%
State assessments	5,209,013	2.2%	5,045,783	2.1%	5,086,760	2.2%	5,081,422	2.3%	5,142,581	2.5%	5,174,256	2.6%
Total Expenditures	<u>241,240,823</u>	<u>100.0%</u>	<u>235,385,449</u>	<u>100.0%</u>	<u>226,436,692</u>	<u>100.0%</u>	<u>219,852,096</u>	<u>100.0%</u>	<u>204,191,612</u>	<u>100.0%</u>	<u>197,358,391</u>	<u>100.0%</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>6,438,765</u>		<u>1,973,863</u>		<u>994,870</u>		<u>4,567,617</u>		<u>940,264</u>		<u>2,257,759</u>	
Transfers from Other Funds	3,350,924		3,388,186		4,835,121		4,032,245		2,835,411		3,369,994	
Transfers to Other Funds	(5,439,296)		(5,632,645)		(5,695,141)		(5,390,893)		(4,622,536)		(4,102,832)	
Excess/(Deficiency) of Revenues, Transfers & Other Sources over Expenditures, Transfers & Other Uses	<u>4,350,393</u>		<u>(270,596)</u>		<u>134,850</u>		<u>3,208,969</u>		<u>(846,861)</u>		<u>1,524,921</u>	
Fund Balance - beginning of fiscal year	<u>19,740,278</u>		<u>20,010,874</u>		<u>19,876,024</u>		<u>16,667,055</u>		<u>17,513,916</u>		<u>15,988,995</u>	
Fund Balance - end of fiscal year	\$ <u>24,090,671</u>		\$ <u>19,740,278</u>		\$ <u>20,010,874</u>		\$ <u>19,876,024</u>		\$ <u>16,667,055</u>		\$ <u>17,513,916</u>	

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
COMPARATIVE DETAILED REVENUE BUDGET TO ACTUAL SCHEDULE
Fiscal Year ended June 30, 2006

	Fiscal Year 2006					FY 2005	FY 2004	FY 2003	FY 2002	FY 2001
	Original Budget	Revisions	Final Budget	Revenue	% Budget	Revenue	Revenue	Revenue	Revenue	Revenue
Real estate and personal property taxes:										
Current Year Taxes	\$ -	\$ -	\$ -	\$ 198,765,015	\$	189,884,213	\$ 184,868,224	\$ 177,610,786	\$ 159,383,403	\$ 153,855,110
Prior Year Taxes	-	-	-	1,468,906		3,708,382	2,200,567	2,046,156	1,845,271	2,014,291
Property Taxes	<u>197,978,128</u>	<u>453,290</u>	<u>198,431,418</u>	<u>200,233,921</u>	<u>100.91%</u>	<u>193,592,595</u>	<u>187,068,791</u>	<u>179,656,942</u>	<u>161,228,674</u>	<u>155,869,401</u>
Motor Excise Taxes:										
Current Year Motor Vehicle Excise Tax	-	-	-	9,021,984		8,917,133	8,036,021	8,058,600	7,721,089	7,769,931
Prior Year Motor Vehicle Excise Tax	-	-	-	1,722,844		2,543,859	2,216,317	2,585,343	2,122,838	1,969,249
Boat Excise Tax	-	-	-	5,819		6,875	6,458	1,507	4,632	8,774
Motor Excise Taxes	<u>10,814,399</u>	<u>200,000</u>	<u>11,014,399</u>	<u>10,750,647</u>	<u>97.61%</u>	<u>11,467,867</u>	<u>10,258,796</u>	<u>10,645,450</u>	<u>9,848,559</u>	<u>9,747,954</u>
Penalties and interest on taxes:	<u>957,072</u>	<u>-</u>	<u>957,072</u>	<u>824,950</u>	<u>86.20%</u>	<u>1,225,225</u>	<u>957,072</u>	<u>1,027,184</u>	<u>791,560</u>	<u>733,234</u>
In Lieu of Tax Payments:										
Boston College	-	-	-	100,000		100,000	100,000	100,000	100,000	100,000
Stone Institute	-	-	-	48,286		32,000	-	-	-	-
121A Urban Excise Taxes	-	-	-	128,393		126,919	125,161	161,974	81,453	163,412
121A Supplemental In Lieu of Tax Payments	-	-	-	134,078		113,113	99,432	86,574	128,242	127,093
Pro forma In Lieu of Tax Payments	-	-	-	7,445		22,530	15,417	29,319	-	3,704
In Lieu of Tax Payments	<u>340,010</u>	<u>45,000</u>	<u>385,010</u>	<u>418,202</u>	<u>108.62%</u>	<u>394,562</u>	<u>340,010</u>	<u>377,867</u>	<u>309,695</u>	<u>394,209</u>
Hotel/Motel Excise Tax	<u>1,127,752</u>	<u>(66,428)</u>	<u>1,061,324</u>	<u>1,060,052</u>	<u>99.88%</u>	<u>979,194</u>	<u>851,157</u>	<u>1,151,838</u>	<u>1,291,950</u>	<u>1,430,627</u>
Charges for Service:										
School Tuitions	127,786	17,300	145,086	131,731	90.80%	160,158	127,786	123,770	109,357	165,124
Recreation	192,360	(50,000)	142,360	142,539	100.13%	157,935	192,360	185,330	125,396	141,679
City Clerk	144,000	-	144,000	141,092	97.98%	144,663	148,676	141,690	149,611	151,631
Municipal Lien Certificates	150,000	-	150,000	132,501	88.33%	159,110	223,625	457,715	220,575	81,875
Police/Fire Detail Surcharges	155,000	35,400	190,400	192,720	101.22%	153,790	135,060	97,732	113,849	102,640
Fire Alarm Fees	90,000	-	90,000	286,900	318.78%	88,919	179,268	185,368	170,981	171,846
Rental of City Property	483,194	-	483,194	497,713	103.00%	381,371	420,450	559,566	332,179	323,329
All Other Fees	286,953	(235,400)	51,553	114,783	222.65%	90,577	137,909	109,747	81,797	77,840
Charges for Service	<u>1,629,293</u>	<u>(232,700)</u>	<u>1,396,593</u>	<u>1,639,979</u>	<u>117.43%</u>	<u>1,336,523</u>	<u>1,565,134</u>	<u>1,860,918</u>	<u>1,303,745</u>	<u>1,215,964</u>
Fines & Forfeitures:										
Court Fines	130,000	-	130,000	250,012	192.32%	259,209	317,621	316,600	119,797	134,377
Parking Violation Fines	1,570,512	-	1,570,512	1,544,191	98.32%	1,532,742	1,413,006	1,230,941	1,273,239	1,253,308
Library Fines	200,000	-	200,000	164,017	82.01%	170,246	167,327	144,609	154,420	134,867
All Other Fines, Forfeitures & Restitution	-	-	-	14,620		6,122	2,558	14,047	30,851	39,424
Fines & Forfeitures	<u>1,900,512</u>	<u>-</u>	<u>1,900,512</u>	<u>1,972,840</u>	<u>103.81%</u>	<u>1,968,319</u>	<u>1,900,512</u>	<u>1,706,197</u>	<u>1,578,307</u>	<u>1,561,976</u>
Licenses & Permits:										
Inspection Services Department	2,512,952	6,428	2,519,380	5,755,532	228.45%	4,112,858	3,277,661	3,678,019	3,528,240	2,926,582
Public Health Department	130,000	-	130,000	126,714	97.47%	128,225	127,445	130,242	122,766	80,402
License Commission	280,000	-	280,000	282,140	100.76%	281,720	270,260	266,915	260,075	261,025
Fire Department	152,500	-	152,500	190,964	125.22%	206,670	138,440	97,284	92,600	86,760
All Other	20,000	-	20,000	160,567	0.00%	138,246	142,705	135,278	152,242	123,411

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
COMPARATIVE DETAILED REVENUE BUDGET TO ACTUAL SCHEDULE
Fiscal Year ended June 30, 2006

	Fiscal Year 2006					FY 2005	FY 2004	FY 2003	FY 2002	FY 2001
	Original Budget	Revisions	Final Budget	Revenue	% Budget	Revenue	Revenue	Revenue	Revenue	Revenue
Licenses & Permits	3,095,452	6,428	3,101,880	6,515,917	210.06%	4,867,719	3,956,511	4,307,738	4,155,923	3,478,180
Investment Income	1,350,000	50,000	1,400,000	3,055,801	218.27%	1,529,059	879,801	1,050,543	1,758,632	2,510,034
Special Assessments	27,478	(2,300)	25,178	55,808	221.65%	22,910	27,478	38,830	40,768	71,214
Miscellaneous Local Revenue	385,870	156,166	542,036	1,026,373	189.36%	617,318	698,920	1,098,334	714,611	309,373
Intergovernmental:										
State "Cherry Sheet" Aid	17,702,881	2,040,006	19,742,887	19,816,139	100.37%	18,915,699	18,459,517	20,929,629	21,750,298	21,871,577
SPED Medicaid Reimbursements	250,000	-	250,000	159,283	63.71%	256,024	307,916	432,412	167,189	185,880
Non Contrib. Retirement COLA Reimbursement	110,000	-	110,000	94,525	85.93%	117,397	109,833	94,664	154,930	151,392
Other State and federal reimbursements	45,000	-	45,000	55,151	122.56%	68,901	50,114	41,167	37,035	85,135
Intergovernmental	18,107,881	2,040,006	20,147,887	20,125,098	99.89%	19,358,021	18,927,380	21,497,872	22,109,452	22,293,984
Total Revenue	237,713,847	2,649,462	240,363,309	247,679,588	103.04%	237,359,312	227,431,562	224,419,713	205,131,876	199,616,150
Transfers from Other Funds:										
Parking Meter Receipts Reserved	702,832	56,000	758,832	758,832		890,638	847,000	858,738	960,000	786,626
Water Fund	473,366	7,500	480,866	480,866		439,181	407,875	376,664	313,216	286,895
Sewer Fund	710,050	-	710,050	710,050		780,774	847,842	754,567	635,925	626,915
Sale of Recyclable Materials Receipts Reserved	200,000	-	200,000	200,000		200,000	390,000	100,000	100,000	-
Special Permit Receipts Reserved	-	-	-	-		50,000	-	-	-	-
BAA Marathon Receipts Reserved	-	85,000	85,000	85,000		-	72,500	42,500	45,000	50,000
CATV Access Fees Receipts Reserved	125,000	11,691	136,691	136,691		222,045	665,809	440,374	-	193,647
Sale of Surplus Property Receipts Reserved	-	-	-	-		-	-	-	-	382,505
Inland Waterway Receipts Reserved	-	-	-	-		2,500	-	-	-	-
E-Rate Receipts Reserved	-	5,500	5,500	5,500		29,916	45,745	69,338	63,112	90,597
NCGF Golf Day Receipts Reserved	-	14,406	14,406	14,406		-	-	-	-	-
Damage Recovery Receipts Reserved	-	-	-	-		-	-	-	28,708	43,098
Traffic Mitigation Receipts Reserved	-	-	-	-		26,000	-	-	9,000	-
Community Preservation Fund	30,000	-	30,000	30,000		-	-	-	-	-
State Grant Fund	-	-	-	-		-	2,025	-	-	7,500
Federal Grant Fund	-	-	-	2,000		-	464,187	337,312	-	215,654
Municipal Building Self Insurance	277,582	-	277,582	277,582		257,331	150,000	160,953	115,000	108,200
Liability Self Insurance	-	-	-	-		55,000	126,389	199,000	335,000	130,000
Capital Stabilization Fund	-	649,997	649,997	649,997		434,801	815,749	692,799	230,450	448,357
Transfers to Other Funds	2,518,830	830,094	3,348,924	3,350,924	100.06%	3,388,186	4,835,121	4,032,245	2,835,411	3,369,994
Total Revenues & Interfund Transfers	240,232,677	3,479,556	243,712,233	251,030,512	103.00%	240,747,498	232,266,683	228,451,958	207,967,287	202,986,144
Fund Balance (Free Cash/Overlay Surplus)	7,113,203	2,046,211	9,159,414	-	0.00%	270,596	-	-	846,861	-
TOTAL GENERAL FUND	<u>\$ 247,345,880</u>	<u>\$ 5,525,767</u>	<u>\$ 252,871,647</u>	<u>\$ 251,030,512</u>	<u>99.27%</u>	<u>241,018,094</u>	<u>\$ 232,266,683</u>	<u>228,451,958</u>	<u>\$ 208,814,148</u>	<u>\$ 202,986,144</u>

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS TO OTHER FUNDS - LEGAL LEVEL OF CONTROL
BUDGET TO ACTUAL
Fiscal Year ended June 30, 2006

	Cont. Approp./ Encumbrances	FY 2006 Original Budget	FY 2006 Budget Revisions	FY 2006 Budget As Amended	Total Revised FY 2006 Budget	Expended	Encumbered/ Continued	Closed to Fund Balance	% Unobligated
City Clerk/Clerk of the Board									
Personal Services	-	759,389	47,264	806,653	806,653	778,390	-	28,263	3.50%
Expenses	2,780	47,643	4,000	51,643	54,423	41,115	12,163	1,145	2.10%
Fringe Benefits	-	193,416	21,412	214,828	214,828	214,434	-	394	0.18%
Total City Clerk/Clerk of the Board	<u>2,780</u>	<u>1,000,448</u>	<u>72,676</u>	<u>1,073,124</u>	<u>1,075,904</u>	<u>1,033,939</u>	<u>12,163</u>	<u>29,802</u>	<u>2.77%</u>
Mayor's Office									
Personal Services	-	504,691	20,622	525,313	525,313	525,313	-	-	0.00%
Expenses	-	38,625	-	38,625	38,625	28,683	-	9,942	25.74%
Fringe Benefits	-	74,969	129	75,098	75,098	63,974	-	11,124	14.81%
Total Mayor's Office	<u>-</u>	<u>618,285</u>	<u>20,751</u>	<u>639,036</u>	<u>639,036</u>	<u>617,970</u>	<u>-</u>	<u>21,066</u>	<u>3.30%</u>
Comptroller's Office/Property Insurance									
Personal Services	-	406,983	14,805	421,788	421,788	410,592	-	11,196	2.65%
Expenses	5,176	342,452	-	342,452	347,628	333,747	13,880	1	0.00%
Fringe Benefits	-	67,046	(798)	66,248	66,248	65,664	-	584	0.88%
Total Comptroller's Office	<u>5,176</u>	<u>816,481</u>	<u>14,007</u>	<u>830,488</u>	<u>835,664</u>	<u>810,003</u>	<u>13,880</u>	<u>11,781</u>	<u>1.41%</u>
Purchasing/General Services									
Personal Services	-	279,790	14,883	294,673	294,673	282,621	-	12,052	4.09%
Expenses	-	125,054	-	125,054	125,054	82,867	3,115	39,072	31.24%
Capital Outlay	-	3,037	-	3,037	3,037	2,291	-	746	24.56%
Fringe Benefits	-	50,314	(3,224)	47,090	47,090	47,079	-	11	0.02%
Total Purchasing/General Services	<u>-</u>	<u>458,195</u>	<u>11,659</u>	<u>469,854</u>	<u>469,854</u>	<u>414,858</u>	<u>3,115</u>	<u>51,881</u>	<u>11.04%</u>
Assessing Department									
Personal Services	-	945,471	46,573	992,044	992,044	989,950	-	2,094	0.21%
Expenses	-	38,900	-	38,900	38,900	21,529	-	17,371	44.66%
Fringe Benefits	-	135,638	350	135,988	135,988	134,585	-	1,403	1.03%
Total Assessing Department	<u>-</u>	<u>1,120,009</u>	<u>46,923</u>	<u>1,166,932</u>	<u>1,166,932</u>	<u>1,146,064</u>	<u>-</u>	<u>20,868</u>	<u>1.79%</u>
Treasury & Collection Department									
Personal Services	-	485,767	25,543	511,310	511,310	507,174	-	4,136	0.81%
Expenses	11,378	411,269	45,000	456,269	467,647	453,251	10,722	3,674	0.79%
Fringe Benefits	-	91,965	(2,803)	89,162	89,162	89,161	-	1	0.00%
Total Treasury & Collection Department	<u>11,378</u>	<u>989,001</u>	<u>67,740</u>	<u>1,056,741</u>	<u>1,068,119</u>	<u>1,049,586</u>	<u>10,722</u>	<u>7,811</u>	<u>0.73%</u>
City Solicitor/Judgments & Settlements									
Personal Services	-	756,334	36,169	792,503	792,503	791,314	-	1,189	0.15%
Expenses	-	279,443	132,914	412,357	412,357	412,330	-	27	0.01%
Fringe Benefits	-	91,629	118	91,747	91,747	88,365	-	3,382	3.69%
Total City Solicitor's Office/Settlements	<u>-</u>	<u>1,127,406</u>	<u>169,201</u>	<u>1,296,607</u>	<u>1,296,607</u>	<u>1,292,009</u>	<u>-</u>	<u>4,598</u>	<u>0.35%</u>

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS TO OTHER FUNDS - LEGAL LEVEL OF CONTROL
BUDGET TO ACTUAL
Fiscal Year ended June 30, 2006

	Cont. Approp./ Encumbrances	FY 2006 Original Budget	FY 2006 Budget Revisions	FY 2006 Budget As Amended	Total Revised FY 2006 Budget	Expended	Encumbered/ Continued	Closed to Fund Balance	% Unobligated
Human Resources Department									
Personal Services	-	625,149	(64,193)	560,956	560,956	536,573	-	24,383	4.35%
Expenses	21,900	174,092	-	174,092	195,992	155,641	26,236	14,115	7.20%
Capital Outlay	-	1,700	-	1,700	1,700	1,044	-	656	38.59%
Fringe Benefits		173,360	131,080	304,440	304,440	170,074	-	134,366	44.14%
Total Human Resources Department	21,900	974,301	66,887	1,041,188	1,063,088	863,332	26,236	173,520	16.32%
Information Technology Department									
Personal Services	-	634,723	31,834	666,557	666,557	610,144	-	56,413	8.46%
Expenses	5,950	171,403	-	171,403	177,353	175,364	-	1,989	1.12%
Capital Outlay	-	8,300	-	8,300	8,300	8,043	-	257	3.10%
Fringe Benefits		85,656	175	85,831	85,831	85,185	-	646	0.75%
Total Information Technology Department	5,950	900,082	32,009	932,091	938,041	878,736	-	59,305	6.32%
Election Commission									
Personal Services	-	461,559	9,529	471,088	471,088	454,355	-	16,733	3.55%
Expenses	2,900	77,670	4,500	82,170	85,070	61,522	2,380	21,168	24.88%
Fringe Benefits		53,206	(4,636)	48,570	48,570	48,528	-	42	0.09%
Total Election Commission	2,900	592,435	9,393	601,828	604,728	564,405	2,380	37,943	6.27%
Licensing Commission									
Expenses	-	1,896	-	1,896	1,896	1,589	-	307	16.19%
Total Licensing Commission	-	1,896	-	1,896	1,896	1,589	-	307	16.19%
Planning & Development Department									
Personal Services	2,100	754,370	58,174	812,544	814,644	813,185	-	1,459	0.18%
Expenses	41,718	47,072	29,691	76,763	118,481	62,052	32,962	23,467	19.81%
Fringe Benefits	-	95,247	(3,772)	91,475	91,475	91,362	-	113	0.12%
Total Planning & Development Department	43,818	896,689	84,093	980,782	1,024,600	966,599	32,962	25,039	2.44%
Public Building Department									
Personal Services	-	1,299,239	110,924	1,410,163	1,410,163	1,408,548	-	1,615	0.11%
Expenses	80,990	558,898	74,322	633,220	714,210	698,566	13,135	2,509	0.35%
Fringe Benefits	-	265,035	(34,077)	230,958	230,958	230,458	-	500	0.22%
Total Public Building Department	80,990	2,123,172	151,169	2,274,341	2,355,331	2,337,572	13,135	4,624	0.20%
GENERAL GOVERNMENT TOTAL	174,892	11,618,400	746,508	12,364,908	12,539,800	11,976,662	114,593	448,545	3.58%

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS TO OTHER FUNDS - LEGAL LEVEL OF CONTROL
BUDGET TO ACTUAL
Fiscal Year ended June 30, 2006

	Cont. Approp./ Encumbrances	FY 2006 Original Budget	FY 2006 Budget Revisions	FY 2006 Budget As Amended	Total Revised FY 2006 Budget	Expended	Encumbered/ Continued	Closed to Fund Balance	% Unobligated
Police Department									
Personal Services	-	12,076,392	1,081,393	13,157,785	13,157,785	13,136,732	-	21,053	0.16%
Expenses	458	754,446	78,879	833,325	833,783	799,792	12,420	21,571	2.59%
Capital Outlay	13,783	256,507	-	256,507	270,290	263,290	7,000	-	0.00%
Fringe Benefits		1,823,018	39,165	1,862,183	1,862,183	1,858,937	-	3,246	0.17%
Total Police Department	14,241	14,910,363	1,199,437	16,109,800	16,124,041	16,058,751	19,420	45,870	0.28%
Fire Department									
Personal Services	-	10,759,289	147,391	10,906,680	10,906,680	10,732,382	-	174,298	1.60%
Expenses	343	520,985	46,810	567,795	568,138	515,765	9,158	43,215	7.61%
Capital Outlay	7,963	27,000	-	27,000	34,963	13,717	19,282	1,964	5.62%
Fringe Benefits	-	1,719,607	(595)	1,719,012	1,719,012	1,718,939	-	73	0.00%
Total Fire Department	8,306	13,026,881	193,606	13,220,487	13,228,793	12,980,803	28,440	219,550	1.66%
Inspectional Services Department									
Personal Services	-	695,737	82,800	778,537	778,537	778,537	-	-	0.00%
Expenses	-	44,381	-	44,381	44,381	39,976	1,644	2,761	6.22%
Fringe Benefits	-	122,494	9,417	131,911	131,911	131,872	-	39	0.03%
Total Inspectional Services Department	-	862,612	92,217	954,829	954,829	950,385	1,644	2,800	0.29%
Civil Defense Department									
Personal Services	-	4,000	-	4,000	4,000	4,000	-	-	0.00%
Expenses	-	4,238	-	4,238	4,238	4,234	-	4	0.09%
Fringe Benefits	-	6,433	(267)	6,166	6,166	6,165	-	1	0.02%
Total Civil Defense Department	-	14,671	(267)	14,404	14,404	14,399	-	5	0.03%
Weights & Measures Department									
Personal Services	-	51,840	2,630	54,470	54,470	54,469	-	1	0.00%
Expenses	-	3,579	-	3,579	3,579	2,060	-	1,519	42.44%
Fringe Benefits	-	7,405	15	7,420	7,420	7,183	-	237	3.19%
Total Weights & Measures Department	-	62,824	2,645	65,469	65,469	63,712	-	1,757	2.68%
Ambulance Service									
Expenses	-	2,000	-	2,000	2,000	-	-	2,000	100.00%
Total Ambulance	-	2,000	-	2,000	2,000	-	-	2,000	100.00%
PUBLIC SAFETY TOTAL	22,547	28,879,351	1,487,638	30,366,989	30,389,536	30,068,050	49,504	271,982	0.89%

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS TO OTHER FUNDS - LEGAL LEVEL OF CONTROL
BUDGET TO ACTUAL
Fiscal Year ended June 30, 2006

	Cont. Approp./ Encumbrances	FY 2006 Original Budget	FY 2006 Budget Revisions	FY 2006 Budget As Amended	Total Revised FY 2006 Budget	Expended	Encumbered/ Continued	Closed to Fund Balance	% Unobligated
Public Works Department									
Personal Services	-	6,419,513	962,653	7,382,166	7,382,166	7,301,115	-	81,051	1.10%
Expenses	440,326	9,422,845	877,005	10,299,850	10,740,176	10,482,936	174,204	83,036	0.77%
Capital Outlay	12,908	214,000	-	214,000	226,908	198,550	27,557	801	0.35%
Fringe Benefits	-	1,387,722	(103,351)	1,284,371	1,284,371	1,281,225	-	3,146	0.24%
Total Public Works Department	<u>453,234</u>	<u>17,444,080</u>	<u>1,736,307</u>	<u>19,180,387</u>	<u>19,633,621</u>	<u>19,263,826</u>	<u>201,761</u>	<u>168,034</u>	<u>0.86%</u>
PUBLIC WORKS	453,234	17,444,080	1,736,307	19,180,387	19,633,621	19,263,826	201,761	168,034	0.86%
Health & Human Services Department									
Personal Services	-	1,769,964	134,424	1,904,388	1,904,388	1,851,423	-	52,965	2.78%
Expenses	-	353,228	-	353,228	353,228	318,321	4,350	30,557	8.65%
Fringe Benefits	-	307,754	(1,785)	305,969	305,969	295,247	-	10,722	3.50%
Total Public Health Department	<u>-</u>	<u>2,430,946</u>	<u>132,639</u>	<u>2,563,585</u>	<u>2,563,585</u>	<u>2,464,991</u>	<u>4,350</u>	<u>94,244</u>	<u>3.68%</u>
Senior Services Department									
Personal Services	-	204,350	10,288	214,638	214,638	205,357	-	9,281	4.32%
Expenses	-	239,918	-	239,918	239,918	238,979	-	939	0.39%
Fringe Benefits	-	43,814	2,223	46,037	46,037	46,032	-	5	0.01%
Total Human Services Department	<u>-</u>	<u>488,082</u>	<u>12,511</u>	<u>500,593</u>	<u>500,593</u>	<u>490,368</u>	<u>-</u>	<u>10,225</u>	<u>2.04%</u>
Veteran Services Department									
Personal Services	-	123,829	6,390	130,219	130,219	130,219	-	-	0.00%
Expenses	-	47,617	-	47,617	47,617	42,256	-	5,361	11.26%
Fringe Benefits	-	10,453	60	10,513	10,513	10,128	-	385	3.66%
Total Veteran Services Department	<u>-</u>	<u>181,899</u>	<u>6,450</u>	<u>188,349</u>	<u>188,349</u>	<u>182,603</u>	<u>-</u>	<u>5,746</u>	<u>3.05%</u>
HEALTH & HUMAN SERVICES TOTAL	-	3,100,927	151,600	3,252,527	3,252,527	3,137,962	4,350	110,215	3.39%
Newton Public Library									
Personal Services	-	3,191,454	143,130	3,334,584	3,334,584	3,321,861	-	12,723	0.38%
Expenses	-	916,833	130,525	1,047,358	1,047,358	1,047,358	-	-	0.00%
Capital Outlay	-	-	-	-	-	-	-	-	0.00%
Fringe Benefits	-	528,199	(24,457)	503,742	503,742	500,028	-	3,714	0.74%
Total Newton Public Library	<u>-</u>	<u>4,636,486</u>	<u>249,198</u>	<u>4,885,684</u>	<u>4,885,684</u>	<u>4,869,247</u>	<u>-</u>	<u>16,437</u>	<u>0.34%</u>

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS TO OTHER FUNDS - LEGAL LEVEL OF CONTROL
BUDGET TO ACTUAL
Fiscal Year ended June 30, 2006

	Cont. Approp./ Encumbrances	FY 2006 Original Budget	FY 2006 Budget Revisions	FY 2006 Budget As Amended	Total Revised FY 2006 Budget	Expended	Encumbered/ Continued	Closed to Fund Balance	% Unobligated
Parks & Recreation Department									
Personal Services	-	2,210,950	244,939	2,455,889	2,455,889	2,417,361	-	38,528	1.57%
Expenses	-	1,488,487	522,203	2,010,690	2,010,690	1,901,521	2,840	106,329	5.29%
Capital Outlay	-	4,500	-	4,500	4,500	4,284	-	216	4.80%
Fringe Benefits		336,406	(23,651)	312,755	312,755	307,898	-	4,857	1.55%
Total Parks & Recreation Department	-	4,040,343	743,491	4,783,834	4,783,834	4,631,064	2,840	149,930	3.13%
Newton History Museum									
Personal Services	-	166,252	8,529	174,781	174,781	160,711	-	14,070	8.05%
Expenses	-	18,269	-	18,269	18,269	17,249	-	1,020	5.58%
Fringe Benefits		16,261	5,218	21,479	21,479	21,477	-	2	0.01%
Total Newton History Museum	-	200,782	13,747	214,529	214,529	199,437	-	15,092	7.03%
				-	-				
				-	-				
CULTURE & RECREATION TOTAL	-	8,877,611	1,006,436	9,884,047	9,884,047	9,699,748	2,840	181,459	1.84%
ATB INTEREST									
Expenses	-	50,000	-	50,000	50,000	-	-	50,000	100.00%
Total ATB Interest	-	50,000	-	50,000	50,000	-	-	50,000	100.00%
DEBT & INTEREST									
Debt Service	-	6,831,388	413,625	7,245,013	7,245,013	7,245,009	-	4	0.00%
Total Debt & Interest	-	6,831,388	413,625	7,245,013	7,245,013	7,245,009	-	4	0.00%
RETIREMENT									
Personal Services	-	148,293	3,171	151,464	151,464	151,144	-	320	0.21%
Expenses	-	62,690	-	62,690	62,690	62,690	-	-	0.00%
Fringe Benefits		18,285,038	32,058	18,317,096	18,317,096	18,311,319	-	5,777	0.03%
Total Retirement	-	18,496,021	35,229	18,531,250	18,531,250	18,525,153	-	6,097	0.03%
APPROPRIATED RESERVES									
Wage & Salary Reserve	1,216,687	3,147,983	(2,901,946)	246,037	1,462,724	-	1,462,724	-	0.00%
Budget Reserve - (4)	-	695,000	(680,279)	14,721	14,721	-	-	14,721	100.00%
Total Budgetary Reserves	1,216,687	3,842,983	(3,582,225)	260,758	1,477,445	-	1,462,724	14,721	1.00%

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS TO OTHER FUNDS - LEGAL LEVEL OF CONTROL
BUDGET TO ACTUAL
Fiscal Year ended June 30, 2006

	Cont. Approp./ Encumbrances	FY 2006 Original Budget	FY 2006 Budget Revisions	FY 2006 Budget As Amended	Total Revised FY 2006 Budget	Expended	Encumbered/ Continued	Closed to Fund Balance	% Unobligated
NEWTON PUBLIC SCHOOLS (1)	183,129	137,405,240	(1,698,889)	135,706,351	135,889,480	134,803,237	1,085,200	1,043	0.00%
STATE & COUNTY ASSESSMENTS (3)	-	5,061,806	92,294	5,154,100	5,154,100	5,209,013	-	(54,913)	-1.07%
SPECIAL APPROPRIATIONS (2)	2,862,714	-	520,818	520,818	3,383,532	1,312,163	2,071,369	-	0.00%
					ok to detail				
TOTAL EXPENDITURE BUDGETS	4,913,203	241,607,807	909,341	242,517,148	247,430,351	241,240,823	4,992,341	1,197,187	0.48%
TRANSFERS TO OTHER FUNDS:									
Workers Comp Self Insurance Fund - Municipal	-	822,870	178,482	1,001,352	1,001,352	1,001,352	-	-	0.00%
Workers Comp Self Insurance Fund - School	-	-	350,000	350,000	350,000	350,000	-	-	0.00%
School Athletic Revolving Fund - School	-	-	871,198	871,198	871,198	871,198	-	-	0.00%
School Lunch Fund - School	-	-	907,691	907,691	907,691	907,691	-	-	0.00%
Traffic Mitigation Funds	-	-	7,672	7,672	7,672	7,672	-	-	0.00%
Federal Grant Special Revenue Fund - Municipa	-	2,000	-	2,000	2,000	-	-	2,000	100.00%
Liability Self Insurance Fund	-	-	-	-	-	-	-	-	0.00%
Gift Special Revenue fund (Int. on Donations)	-	-	-	-	-	-	-	-	0.00%
Community Preservation Fund - Municipal	-	-	-	-	-	-	-	-	0.00%
High School Renovation Fund - School	-	-	-	-	-	-	-	-	0.00%
Capital Stabilization Fund	-	-	2,301,383	2,301,383	2,301,383	2,301,383	-	-	0.00%
Water Utility Special Revenue Fund	-	-	-	-	-	-	-	-	0.00%
Total Transfers to Other Funds	-	824,870	4,616,426	5,441,296	5,441,296	5,439,296	-	2,000	0.04%
TOTAL: GENERAL FUND	4,913,203	242,432,677	5,525,767	247,958,444	252,871,647	246,680,119	4,992,341	1,199,187	0.47%

(1) Excludes inter-fund transfers - see re-cap of complete school budget on page 18

(2) Detail of individual special appropriations on pages 19-21

(3) State assessment detail is presented on page 24..

(4) Detailed Budget Reserve activity is presented on page 22.

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS TO OTHER FUNDS - LEGAL LEVEL OF CONTROL
BUDGET TO ACTUAL
Fiscal Year ended June 30, 2006

Cont. Approp./ Encumbrances	FY 2006 Original Budget	FY 2006 Budget Revisions	FY 2006 Budget As Amended	Total Revised FY 2006 Budget	Expended	Encumbered/ Continued	Closed to Fund Balance	% Unobligated
183,129	137,405,240	(1,698,889)	135,706,351	135,889,480	134,803,237	1,085,200	1,043	0.00%
-	-	907,691	907,691	907,691	907,691	-	-	0.00%
-	-	350,000	350,000	350,000	350,000	-	-	0.00%
-	-	-	-	-	-	-	-	0.00%
-	-	871,198	871,198	871,198	871,198	-	-	0.00%
183,129	137,405,240	430,000	137,835,240	138,018,369	136,932,126	1,085,200	1,043	0.00%

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
DETAILED SCHEDULE OF SPECIAL APPROPRIATION EXPENDITURES AND TRANSFERS TO OTHER FUNDS - LEGAL LEVEL OF CONTROL
BUDGET TO ACTUAL
Fiscal Year ended June 30, 2006

	Continued Appropriations	FY 2006 Revisions	Final Revised Budget	Expended	Encumbrances/ Continued Appr.	Closed to Fund Balance
Mayor's Office						
NCGF Mayor's Golf Day Charitable Donations	\$ -	\$ 14,406	\$ 14,406	\$ 14,406	\$ -	\$ -
Total Mayor's Office	-	14,406	14,406	14,406	-	-
Purchasing/Central Services						
City-Wide Telecommunications Study/Equipment	37,632	-	37,632	1,221	36,411	-
Total Purchasing Department	37,632	-	37,632	1,221	36,411	-
Board of Assessors						
City-wide Revaluation program	795,797	-	795,797	201,435	594,362	-
Total Board of Assessors	795,797	-	795,797	201,435	594,362	-
			-			
Treasurer/Collections						
Treasurer's office technology	12,436	(3,703)	8,733	8,733	-	-
Total Treasurer's Office	12,436	(3,703)	8,733	8,733	-	-
City Solicitor						
Ordinance Recodification	1,930	(1,930)	-	-	-	-
Total City Solicitor's Office	1,930	(1,930)	-	-	-	-
			-			
Information Technology						
Municipal Computer Technology Program	38,822	-	38,822	16,255	22,567	-
Pentamation Software Upgrade	63,563	-	63,563	23,769	39,794	-
City-wide .Network Improvements	499,954	-	499,954	98,872	401,082	-
Geographic Information System Program	28,244	-	28,244	-	28,244	-
Total MIS Department	630,583	-	630,583	138,896	491,687	-
Planning & Development						
Deer Park Improvements	13,107	-	13,107	1,166	11,941	-
Houghton Garden Improvements	12,778	-	12,778	-	12,778	-
Conservation Signs	2,000	-	2,000	-	2,000	-
Jackson/Daniels Traffic Study	15,000	(5,472)	9,528	9,528	-	-
Williams School Traffic Study	4,812	(2,200)	2,612	1,005	1,607	-
Parking Meters	20,000	-	20,000	20,000	-	-
CATV Licensing	777	(777)	-	-	-	-
Total Planning & Development Department	68,474	(8,449)	60,025	31,699	28,326	-
Public Buildings						
Fire Station Improvements - Sliding Poles	30,000	15,000	45,000	-	45,000	-
Police Dispatch Center Improvements	44,016	-	44,016	42,880	1,136	-
City Hall Window Repairs	50,255	-	50,255	49,835	420	-
City Hall HVAC Improvements	9,978	-	9,978	9,978	-	-
City Hall Conference Room Improvements	-	9,092	9,092	-	9,092	-
Building Dept. office boiler replacement	32,120	-	32,120	2,930	29,190	-
Building Dept. Vehicle Replacement	8,535	-	8,535	-	8,535	-

CITY OF NEWTON, MASSACHUSETTS

GENERAL FUND

DETAILED SCHEDULE OF SPECIAL APPROPRIATION EXPENDITURES AND TRANSFERS TO OTHER FUNDS - LEGAL LEVEL OF CONTROL

BUDGET TO ACTUAL

Fiscal Year ended June 30, 2006

	Continued Appropriations	FY 2006 Revisions	Final Revised Budget	Expended	Encumbrances/ Continued Appr.	Closed to Fund Balance
Jackson Homestead Renovations	43,911	-	43,911	13,186	30,725	-
Burr Park Field house Repairs	-	26,000	26,000	24,700	1,300	-
DPW Garage Oil/Gas Separators	11,785	-	11,785	6,172	5,613	-
DPW Eliot Street Operation Ctr Boiler Replacement	-	-	-	-	-	-
DPW Eliot Street Fuel tank replacement	-	2,500	2,500	-	2,500	-
Municipal Building Electrical Upgrades	15,000	-	15,000	9,685	5,315	-
Municipal Bldg. Handicapped Accessibility Study	20,250	-	20,250	-	20,250	-
Energy Conservation Improvements	660	-	660	(10,836)	11,496	-
Police Station Handicapped Access Improvements	66,617	(17)	66,600	-	66,600	-
Brown Middle School Science Room Improvements	17,815	(17,815)	-	-	-	-
School Lavatory Repairs	55,000	-	55,000	-	55,000	-
Countryside School generator replacement	84,849	(35,824)	49,025	49,025	-	-
Pierce School window replacement design	11,002	-	11,002	9,699	1,303	-
Carr School building repairs	30,631	-	30,631	21,599	9,032	-
Senior Center Remodeling	20,667	-	20,667	3,458	17,209	-
City-Wide Environmental Remediation	103,599	142,280	245,879	118,204	127,675	-
Total Public Building Department	656,690	141,216	797,906	350,515	447,391	-
Police						
Police Reaccreditations	-	-	-	-	-	-
Bulletproof vest replacement	-	50,779	50,779	45,731	5,048	-
Police Vehicle replacement	-	-	-	-	-	-
Total Police Department	-	50,779	50,779	45,731	5,048	-
Fire						
Emergency Medical Supplies	20,000	-	20,000	-	20,000	-
Engine #10 Refurbish	160,000	-	160,000	149,184	10,816	-
Defibrillator Replacement	1,208	(1,208)	-	-	-	-
Watch desk replacement	30,000	-	30,000	-	30,000	-
Protective Clothing	7,939	128,055	135,994	119,455	16,539	-
Total Fire Department	219,147	126,847	345,994	268,639	77,355	-
Inspectional Services						
Archival System	20,500	-	20,500	-	20,500	-
Emergency Building Demolition/Boarding	50,000	-	50,000	-	50,000	-
Total Inspection Services Department	70,500	-	70,500	-	70,500	-
Education						
Williams School sign	1,000	-	1,000	1,000	-	-
School E-Rate Technology	-	-	-	-	-	-
Total Newton Public Schools	1,000	-	1,000	1,000	-	-
Public Works						
Larkspur Road Drainage Improvements	4,239	(137)	4,102	4,061	41	-
Hampton Place Drainage Improvements	39,250	-	39,250	580	38,670	-

CITY OF NEWTON, MASSACHUSETTS

GENERAL FUND

DETAILED SCHEDULE OF SPECIAL APPROPRIATION EXPENDITURES AND TRANSFERS TO OTHER FUNDS - LEGAL LEVEL OF CONTROL

BUDGET TO ACTUAL

Fiscal Year ended June 30, 2006

	Continued Appropriations	FY 2006 Revisions	Final Revised Budget	Expended	Encumbrances/ Continued Appr.	Closed to Fund Balance
Parking Lot/Meter Improvements	-	40,000	40,000	-	40,000	-
Betterment Sidewalks	35,943	-	35,943	7,887	28,056	-
Street Lighting Repairs	-	16,000	16,000	11,689	4,311	-
Total Public Works Department	79,432	55,863	135,295	24,217	111,078	-
Public Health						
Mosquito Control Program	1,464	18,493	19,957	18,493	1,464	-
Total Health Department	1,464	18,493	19,957	18,493	1,464	-
Human Services						
Sewer Emergency Relief	9,098	-	9,098	-	9,098	-
Total Human Services Department	9,098	-	9,098	-	9,098	-
Public Library						
Library computer equipment replacement	-	5,500	5,500	-	5,500	-
Regional Library Aid	-	38,029	38,029	38,029	-	-
Total Newton Public Library	-	43,529	43,529	38,029	5,500	-
Parks & Recreation						
Burr Park Improvements	12,500	-	12,500	-	12,500	-
Davis School Playground Improvements	13,036	-	13,036	2,122	10,914	-
Turf Upgrade Program	70	(70)	-	-	-	-
Playground Safety Equipment	14,690	60,000	74,690	41,171	33,519	-
Cabot Park Playground Improvements	-	12,500	12,500	-	12,500	-
Hunnewell Park Playground Improvements	-	12,500	12,500	-	12,500	-
Upper Falls Playground Improvements	12,500	-	12,500	-	12,500	-
Newton Centre Playground Improvements	30,000	-	30,000	72	29,928	-
Parks Vehicle Replacement Program	3,224	-	3,224	2,750	474	-
Tree Planting Program	15,790	-	15,790	(3,795)	19,585	-
Tree Pruning	13,240	-	13,240	-	13,240	-
Tennis Court Repairs	124,792	-	124,792	121,691	3,101	-
Pellegrini Park Well	6,670	-	6,670	135	6,535	-
Lower Falls Playground Landscaping	6,167	-	6,167	-	6,167	-
Nahanton Park Improvements	6,886	-	6,886	-	6,886	-
Crystal Lake Improvements	5,303	-	5,303	5,003	300	-
Total Parks & Recreation Department	264,868	84,930	349,798	169,149	180,649	-
Newton History Museum						
Jackson Homestead Sign Improvements	12,500	-	12,500	-	12,500	-
Jackson Homestead Electrical Improvements	1,163	(1,163)	-	-	-	-
Total Newton History Museum	13,663	(1,163)	12,500	-	12,500	-
TOTAL GENERAL FUND SPECIAL APPROPRIATIONS	\$ 2,862,714	\$ 520,818	\$ 3,383,532	\$ 1,312,163	\$ 2,071,369	\$ -

(with comparative information for five previous fiscal years)

Fiscal Year 2006 Budget Reserve Activity			FY 2006	FY 2005	FY 2004	FY 2003	FY 2002	FY 2001
FY 2006 Original Budget Reserve Appropriation:	\$ 695,000	Budget Reserve Appropriation	\$ 1,095,000	\$ 745,000	\$ 1,518,398	\$ 1,673,300	\$ 1,600,000	\$ 2,579,190
	-							
	-	Uses:						
Total Reserve Fund (Budget Reserve) Appropriation	695,000	Snow & Ice Control	(236,180)	(630,525)	(767,916)	(856,962)	(576,442)	(783,651)
Supplemental Budget Reserve Appropriation:	400,000	Fire Department Salaries	-	-	(501,867)	(470,000)	(385,000)	(250,000)
Total Budget Reserve Appropriation	1,095,000	Police Department Salaries	-	-	-	-	(98,000)	(33,000)
		Library Department Overtime	-	-	(30,000)	(40,000)	(52,000)	-
FY 2006 Budget Reserve Appropriations (transfers):		Grant Matching Requirements	-	(10,000)	(7,966)	-	(1,000)	(4,500)
Mosquito control	(18,493)	Legal settlements	(25,414)	(41,972)	(35,000)	(10,601)	(25,504)	(95,971)
Planning intern	(450)	Prior Year Unpaid Bills	(30,775)	-	-	-	-	-
Library electricity - unpaid bill of prior year	(30,775)	Capital Outlay & Improvements	-	-	(8,885)	(27,987)	-	-
Legal settlement - Fire vehicle accident	(15,414)	Other Miscellaneous - Municipal	(458,923)	(60,455)	(166,368)	(99,508)	(192,841)	(52,228)
Tree emergency maintenance	(86,120)	Newton Public Schools	(280,000)	-	-	-	(38,000)	(879,190)
Legal settlement - storm drainage damage	(10,000)	Municipal Salaries/Wages	(48,987)	-	-	(28,838)	(180,000)	(24,485)
Mayor/Board of Aldermen inauguration	(4,000)	Self Insurance Fund Contributions	-	-	-	-	-	(388,000)
Parks & recreation snow/ice control	(236,180)	Total Appropriations (transfers):	(1,080,279)	(742,952)	(1,518,002)	(1,533,896)	(1,548,787)	(2,511,025)
Newton Public Schools energy costs	(280,000)							
Fire overtime	(130,000)							
Police - bulletproof vest replacement	(50,779)	Closed to fund balance:	\$ 14,721	\$ 2,048	\$ 396	\$ 139,404	\$ 51,213	\$ 68,165
Library electricity	(74,750)							
Parks & recreation electricity	(7,414)							
Planning - Newton Centre taskforce consultant	(18,000)							
Fire - energy expenditures	(23,310)							
Fire - protective clothing	(20,307)							
Public Building - City Hall refrigerator repairs	(1,800)							
ISD/Planning Salaries	(48,987)							
Fire - energy expenditures	(23,500)							
Total Appropriations (transfers)	(1,080,279)							
Unobligated balance closed to fund balance:	\$ 14,721							

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
FREE CASH ACTIVITY
Fiscal Year ended June 30, 2006
(with comparative information for five previous fiscal years)

July 1, 2005 Certified free cash		\$	3,885,027	Historical Reserve Free Cash Uses	FY 2006	FY 2005	FY 2004	FY 2003	FY 2002	FY 2001
Supplemental certifications			-	Available free cash	\$ 3,885,027	\$ 4,832,778	\$ 6,153,294	\$ 5,601,675	\$ 5,480,582	\$ 5,266,862
Total Certified free cash			3,885,027							
				Uses:						
Free cash Appropriations:				Snow & Ice Control	(1,335,087)	(2,245,203)	(381,000)	(1,248,738)	-	(911,333)
#377-05 Fire protective clothing		(107,748)		Fire Department Salaries	-	(306,146)	(280,000)	-	-	(425,900)
#379-05 Burr field house repairs		(26,000)		Police Department Salaries	(194,876)	-	(184,000)	-	-	-
#95-06 Public Works snow & ice control		(1,106,533)		Library Department Overtime	-	-	(50,000)	-	-	-
#118-06 Parks snow & ice control		(228,554)		Grant Matching Requirements	-	-	-	-	-	-
#182-06 Legal settlement - snow plow accident		(75,000)		Legal settlements	(75,000)	-	-	-	-	-
#212-06 Police overtime		(194,876)		Self insurance fund contributions	-	-	(240,000)	(100,000)	-	-
#165-06 FY 2007 budget		(1,700,000)		Capital Outlay & Improvements	(265,248)	(57,665)	(1,240,905)	(1,044,836)	(2,394,148)	(31,400)
#234-06 Newton Public schools energy costs		(150,000)		Other Miscellaneous - Municipal	(26,000)	(23,764)	(39,569)	-	(10,000)	(488,960)
#233-06 Eliot Street fuel tank replacement		(157,500)		Newton Public Schools	(150,000)	-	(400,000)	-	(350,000)	(600,000)
Total Appropriations		(3,746,211)		Municipal Salaries/Wages	-	-	-	-	-	-
Unobligated balance:		\$ 138,816		Following year budget	(1,700,000)	(2,200,000)	(2,738,000)	(2,200,000)	(1,700,000)	(2,200,000)
				Total Appropriations:	(3,746,211)	(4,832,778)	(5,553,474)	(4,593,574)	(4,454,148)	(4,657,593)
				Closed to fund balance:	\$ 138,816	\$ -	\$ 599,820	\$ 1,008,101	\$ 1,026,434	\$ 609,269

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
ANALYSIS OF STATE AID AND ASSESSMENTS
Fiscal Year ended June 30, 2006
(with comparative information for 5 previous fiscal years)

	Fiscal Year Ended June 30, 2006		Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	Budget	Actual	2005 Actual	2004 Actual	2003 Actual	2002 Actual	2001 Actual
STATE AID:							
Chapter 70 education assistance	\$ 9,687,800	\$ 9,687,800	9,115,550	\$ 9,115,550	\$ 11,394,437	\$ 11,394,437	\$ 10,796,523
School building assistance	2,793,121	2,793,121	2,771,504	2,771,504	2,043,821	2,043,821	2,097,414
School transportation reimbursement	-	-	-	-	550,399	625,433	682,608
Charter tuition reimbursement	91,953	163,591	7,650	206	-	10,436	16,623
School choice tuition reimbursement	-	-	-	-	-	-	-
Tuition reimbursement for state wards	-	-	-	-	-	-	13,199
Lottery assistance	4,979,634	4,979,634	4,428,398	4,428,398	4,722,756	5,209,880	5,753,477
Additional assistance aid	1,377,012	1,377,012	1,377,012	1,377,012	1,468,543	1,732,789	1,723,225
Municipal relief aid	-	-	389,592	-	-	-	-
Regional library aid	38,029	38,029	61,025	-	-	-	-
Chapter 81 highway aid	-	-	-	-	-	31,885	127,540
Police career incentive aid (Quinn Bill reimbursement)	612,048	574,029	593,612	581,530	576,814	515,036	473,909
Veteran benefit reimbursement	10,379	11,421	19,445	28,390	11,408	14,858	11,683
Property tax exemption reimbursement	152,911	191,502	151,911	156,927	161,451	171,723	175,376
Total "Cherry Sheet" Aid	19,742,887	19,816,139	18,915,699	18,459,517	20,929,629	21,750,298	21,871,577
STATE ASSESSMENTS AND CHARGES:							
Middlesex County	-	-	-	-	-	-	-
Retired employee health insurance	(18,936)	(18,936)	(16,408)	(6,714)	(3,370)	(681)	(14,127)
Air Pollution Control District	(31,229)	(31,229)	(31,500)	(30,857)	(30,144)	(29,234)	(28,236)
Metropolitan Area Planning Council	(22,968)	(22,968)	(22,129)	(21,806)	(21,274)	(20,525)	(20,107)
Registry of Motor Vehicle Non-Renewal Surcharges	(209,180)	(222,700)	(209,180)	(192,060)	(114,860)	(118,940)	(116,860)
MBTA	(4,725,307)	(4,725,307)	(4,742,915)	(4,818,821)	(4,882,424)	(4,945,829)	(4,985,627)
Boston Metro Transit District	(2,677)	(2,677)	(2,688)	(2,688)	(2,839)	(2,839)	(2,987)
Energy Conservation	-	-	-	-	-	(5,000)	-
Special Education	(43,107)	(23,704)	(14,238)	(13,814)	(7,782)	(9,564)	-
Charter School Tuition	(100,696)	(161,492)	(6,725)	-	(11,079)	(9,969)	(6,312)
School Choice Tuition	-	-	-	-	(7,650)	-	-
Total State Assessments & Charges	(5,154,100)	(5,209,013)	(5,045,783)	(5,086,760)	(5,081,422)	(5,142,581)	(5,174,256)
Net "Cherry Sheet" Aid	\$ 14,588,787	\$ 14,607,126	13,869,916	13,372,757	\$ 15,848,207	\$ 16,607,717	\$ 16,697,321

CITY OF NEWTON, MASSACHUSETTS
PROPERTY TAX PROVISION FOR ABATEMENTS AND EXEMPTIONS - "OVERLAY"
SUMMARY OF ACTIVITY

Current Year and five previous fiscal year accounts
Fiscal Year ended June 30, 2006

	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003	Fiscal Year 2002	Fiscal Year 2001
Original Provision for Abatements & Exemptions	\$ 2,806,623	\$ 2,673,282	\$ 2,612,377	\$ 2,518,172	\$ 2,156,379	\$ 2,191,114
Deficits Raised	-	-	-	-	-	-
Abatements & Exemptions thru 6/30/2005	-	(966,454)	(511,632)	(396,026)	(654,157)	(432,725)
Senior Work Program Credits thru 6/30/2005	-	(24,802)	(8,964)			
Overlay Surplus Declarations thru 6/30/2005	-	-	(395,000)	(1,503,122)	(917,542)	(1,641,453)
June 30, 2005 Balances	-	1,682,026	1,696,781	619,024	584,680	116,936
Less: FY 2006 Abatements & Exemptions	(536,309)	(229,174)	(49,336)	(45,138)	(41,042)	(25,407)
Less: FY 2006+ Senior Work Program Credits	(25,357)	-	-	-		
Less: FY 2006 Overlay Surplus Declarations	-	-	-	-	-	-
Total abatements & exemptions thru 6/30/2006	(536,309)	(1,195,628)	(560,968)	(441,164)	(695,199)	(458,132)
Total Senior Work program credits thru 6/30/2006	(25,357)	(24,802)	(8,964)	-	-	-
Total Overlay surplus declarations thru 6/30/2006	-	-	(395,000)	(1,503,122)	(917,542)	(1,641,453)
June 30, 2006 Balances	2,244,957	\$ 1,452,852	\$ 1,647,445	\$ 573,886	\$ 543,638	\$ 91,529

Summary of Abatement and exemption balances

<i>FY 2006 Abatement/exemption account balance</i>	<i>\$ 2,244,957</i>
<i>FY 2005 Abatement/exemption account balance</i>	<i>1,452,852</i>
<i>FY 2004 Abatement/exemption account balance</i>	<i>1,647,445</i>
<i>FY 2003 Abatement/exemption account balance</i>	<i>573,886</i>
<i>FY 2002 Abatement/exemption account balance</i>	<i>543,638</i>
<i>FY 2001 Abatement/exemption account balance</i>	<i>91,529</i>
<i>FY 2000 and prior years</i>	<i>1,235,293</i>
<i>Total 6/30/2006 Abatement/exemption balances:</i>	<i>\$ 7,789,600</i>

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SPECIAL REVENUE FUNDS

COMBINING LEVEL FINANCIAL STATEMENTS
and
SUPPORTING SCHEDULES

Description of Special Revenue Funds

School Lunch Fund:

This fund is used to account for the operations of the Newton Public School Department's student lunch program. Revenues are generated from the sale of lunches, state and federal reimbursement grants, and investment income. A formal budget is not adopted for this fund; however, expenditures can not exceed revenues plus the beginning fund balance. Any difference between fund revenues and expenditures is financed with a transfer from the School Department's general fund operating budget. It is the policy of the Newton Public school department to subsidize all fund employee benefit costs.

Highway Improvement Fund

This fund is used to account for the revenues and expenditures of the Commonwealth of Massachusetts Chapter 90 highway construction grant funds. The fund has been reclassified to a Capital Project Fund effective July 1, 2005, in recognition of the fact that its objective is capital maintenance and construction.

Municipal ("Muni")Revolving Fund

The Revolving Fund is used to account for a variety of municipal (non-educational) functions that are expected to be self-supporting, such as departmental private duty details. All revolving funds, except for damage recoveries of less than \$20,000; private duty details and assignments; wetlands protection and development review activities; and police asset forfeitures are authorized annually by vote of the Board of Aldermen under Massachusetts General Law Chapter 44, Section 53E ½. Fund expenditures are limited to the lesser of actual available resources or the annual spending limit authorized by the Board of Aldermen. Effective July 1, 2005, all school revolving fund activities have been reclassified to a separate School Revolving Fund.

School Revolving Fund

Beginning on July 1, 2005, all Newton Public Schools revolving fund activity was transferred to a new School Revolving Fund. The Student Transportation and High School Parking revolving funds are authorized annually by vote of the Board of Aldermen under General Law Chapter 44, Section 53E ½.

Receipts Reserved Fund

This fund is used to account for a variety of local revenues whose use is either legally restricted by state law, or has been restricted by vote of the City's Board of Aldermen, for specific purposes and can only be spent with the prior appropriation of the Board of Aldermen. The fund is used to account for proceeds from the sale of surplus real estate, parking meter receipts, development mitigation funds, and revenues generated from cable television license agreements and the sale of recyclable materials. No expenditures can be made directly from the fund; rather, resources are appropriated and transferred to the City's general fund for expenditure.

Community Development Block Grant Fund

This fund is used to account for activities undertaken with federal Community Development Block Grant funds. The Mayor and Board of Aldermen approve each year's grant budget. This is a reimbursement grant.

Federal HOME Grant Fund

This fund is used to account for and report Federal HOME grant program housing assistance programs administered by the Newton Department of Planning and Community Development on behalf of Newton and other participating communities. The Mayor and Board of Aldermen approve each year's grant budget. This is a reimbursement grant.

Municipal Federal Grant Fund

This fund is used to account for a variety of categorical municipal federal grants. The Board of Aldermen approve annual grant budgets and grant budget obligations are generally limited to the lesser of actual available resources or the annual spending limit authorized by the Board.

Municipal State Grant Fund

This fund is used to account for a variety of categorical municipal state grants. The Board of Aldermen approve annual grant budgets and grant budget obligations are limited to the lesser of actual available resources or the annual spending limit authorized by the Board.

School State Grant Fund

This fund is used to account for all categorical public education state grants. The School Committee approves annual grant budgets and grant budgets are recorded upon receipt of approved grant agreements.

School Federal Grant Fund

This fund is used to account for all categorical public education federal grants. The School Committee approves annual grant budgets and grant budgets are recorded upon receipt of approved grant agreements.

Community Preservation Fund

This fund is used to account for the 1% local property tax surcharge that the voter of the City approved in November of 2001 for open space, historic resources, and affordable housing purposes. A minimum of 10% of each year's surcharge revenue must be appropriated to each of the statutory fund purposes each year. The Commonwealth of Massachusetts currently provides matching grants to Community Preservation Act participating communities equal to the total amount billed under the Community Preservation tax surcharge. The Board of Aldermen has appropriation authority over all community preservation funds; however, all appropriation recommendations must originate with a nine member Community Preservation Committee.

Newton Community Development Authority (NCDA) Fund

This fund is used to account for the housing and economic development activities of the Newton Community Development Authority (the authority). The Director of Planning and Development serves as Chairman of the Authority, which is staffed by Planning and Development employees.

Permanent Fund

This fund is used to account for a variety of municipal purposes, which were formerly classified as trust funds. Included within the fund is the Library Common Fund, which is used by the Library Board of Trustees to account for the purchase of library supplies and materials and the enhancement of public library services in Newton.

Sewer Fund

This fund is used to account for the operation and maintenance of the City's sanitary sewer collection system, as well as paying the Massachusetts Water Resources Authority (MWRA) annual charges for sanitary sewer disposal. Fund expenditures are financed in full from user charges that are levied on users of the system.

Water Fund

This fund is used to account for the operation and maintenance of the City's water supply distribution system, as well as paying the Massachusetts Water Resources Authority (MWRA) annual charges for providing water to the City. Fund expenditures are financed in full from user charges that are levied on users of the system.

Gift Fund

This fund is used to account for private gifts and donations that are unrelated to any other fund. Expenditures are limited to the lesser of actual available resources or the annual spending limit authorized by the Board of Aldermen and School Committee.

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
COMBINING LEVEL BALANCE SHEET - BUDGETARY BASIS
June 30, 2006

	School Lunch Fund	Muni Revolving Fund	School Revolving Fund	Receipts Reserved Fund	Federal Community Development Fund	Muni Federal Grant Fund	Federal HOME Grant Fund
ASSETS:							
Petty cash	\$ 2,400	\$ 500	\$ 700	\$ -	\$ 250	\$ -	\$ -
Cash & temporary investments	434,136	2,113,550	737,413	3,652,250	-	55,571	-
Investments	-	-	-	-	-	-	-
Real estate taxes receivable	-	-	-	-	-	-	-
User charges receivable	-	516,781	30,545	-	-	-	-
Federal and state grants receivable	32,552	-	-	-	170,528	23,347	126,507
Accrued interest & dividends receivable	-	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	-	-	-
Utility liens receivable	-	-	-	-	-	-	-
Loans & notes receivable	-	-	-	360,000	-	-	-
Other accounts receivable	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Total Assets	469,088	2,630,831	768,658	4,012,250	170,778	78,918	126,507
LIABILITIES & FUND BALANCES:							
Warrants payable	55,852	124,380	65,650	-	17,825	8,141	-
Accrued expenses	405	96,361	11,496	-	20,699	8,943	-
Accrued payroll	268,135	72,134	22,980	-	-	559	-
Revenue refunds payable	-	-	-	-	-	-	-
Other liabilities	-	31,373	-	-	-	-	-
Due to other funds	-	-	-	-	132,004	-	126,507
Deferred revenue	-	360,171	30,545	360,000	-	7,027	-
Total Liabilities	324,392	684,419	130,671	360,000	170,528	24,670	126,507
Fund Balance - Encumbrances/ continued appropriations	-	-	-	-	-	-	-
Fund Balance - Non expendable permanent funds	-	-	-	-	-	-	-
Fund Balance - Expendable permanent funds	-	-	-	-	-	-	-
Fund Balance - Loans	-	-	-	-	-	-	-
Fund Balance - Special revenue purposes	142,296	1,946,412	637,287	2,399,418	-	54,248	-
Fund Balance - Available for Appropriation	-	-	-	-	-	-	-
Fund Balance - Petty cash	2,400	-	700	-	250	-	-
Fund Balance - Payroll & travel advances	-	-	-	-	-	-	-
Fund Balance - Following year budget	-	-	-	1,252,832	-	-	-
Total Fund Balances	144,696	1,946,412	637,987	3,652,250	250	54,248	-
Total Liabilities & Fund Balances	\$ 469,088	\$ 2,630,831	\$ 768,658	\$ 4,012,250	\$ 170,778	\$ 78,918	\$ 126,507

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
COMBINING LEVEL BALANCE SHEET - BUDGETARY BASIS
June 30, 2006

	Muni State Grant Fund	School State Grant Fund	School Federal Grant Fund	Community Preservation Fund	NCDA Fund	Permanent Fund	Sewer Utility Fund	Water Utility Fund
ASSETS:								
Petty cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash & temporary investments	582,853	286,147	-	5,416,385	356,570	335,485	1,989,530	4,326,868
Investments	-	-	-	-	-	939,054	-	-
Real estate taxes receivable	-	-	-	64,100	-	-	-	-
User charges receivable	-	-	-	-	-	-	2,684,440	1,801,791
Federal and state grants receivable	89,278	165,538	770,194	2,091,806	-	-	3,197,759	-
Accrued interest & dividends receivable	-	-	-	-	459,341	-	-	-
Special assessments receivable	-	-	-	-	-	-	114,462	-
Utility liens receivable	-	-	-	-	-	-	172,101	111,317
Loans & notes receivable	-	-	-	1,100,000	6,353,861	-	-	-
Other accounts receivable	-	-	-	275	-	-	-	-
Other assets	-	-	-	-	-	-	2,395	-
Total Assets	672,131	451,685	770,194	8,672,566	7,169,772	1,274,539	8,160,687	6,239,976
LIABILITIES & FUND BALANCES:								
Warrants payable	76,921	51,440	75,758	9,904	-	330	120,710	81,390
Accrued expenses	50,139	219	4,842	48,720	318,261	-	25,852	113,096
Accrued payroll	18,326	78,515	239,682	-	-	-	1,389	1,707
Revenue refunds payable	-	-	-	-	-	-	82,374	23,110
Other liabilities	-	-	-	-	-	-	200,424	164,366
Due to other funds	-	-	425,812	-	-	-	-	-
Deferred revenue	-	-	-	3,119,370	-	-	3,720,533	462,203
Total Liabilities	145,386	130,174	746,094	3,177,994	318,261	330	4,151,282	845,872
Fund Balance - Encumbrances/ continued appropriations	-	-	-	4,688,077	-	-	216,000	1,194,553
Fund Balance - Non expendable permanent funds	-	-	-	-	-	400,180	-	-
Fund Balance - Expendable permanent funds	-	-	-	-	-	874,029	-	-
Fund Balance - Loans	-	-	-	-	6,353,861	-	-	-
Fund Balance - Special revenue purposes	526,745	321,511	24,100	-	497,650	-	2,448,229	1,450,905
Fund Balance - Available for Appropriation	-	-	-	806,495	-	-	1,342,781	2,748,646
Fund Balance - Petty cash	-	-	-	-	-	-	-	-
Fund Balance - Payroll & travel advances	-	-	-	-	-	-	2,395	-
Fund Balance - Following year budget	-	-	-	-	-	-	-	-
Total Fund Balances	526,745	321,511	24,100	5,494,572	6,851,511	1,274,209	4,009,405	5,394,104
Total Liabilities & Fund Balances	\$ 672,131	\$ 451,685	\$ 770,194	\$ 8,672,566	\$ 7,169,772	\$ 1,274,539	\$ 8,160,687	\$ 6,239,976

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
COMBINING LEVEL BALANCE SHEET - BUDGETARY BASIS
June 30, 2006

	<u>Gift Fund</u>	<u>Total</u>
ASSETS:		
Petty cash	\$ -	\$ 3,850
Cash & temporary investments	993,554	21,280,312
Investments	-	939,054
Real estate taxes receivable	-	64,100
User charges receivable	-	5,033,557
Federal and state grants receivable	-	6,667,509
Accrued interest & dividends receivable	-	459,341
Special assessments receivable	-	114,462
Utility liens receivable	-	283,418
Loans & notes receivable	-	7,813,861
Other accounts receivable	11,313	11,588
Other assets	2,000	4,395
Total Assets	<u>1,006,867</u>	<u>42,675,447</u>
LIABILITIES & FUND BALANCES:		
Warrants payable	11,413	699,714
Accrued expenses	11,290	710,323
Accrued payroll	24,603	728,030
Revenue refunds payable	-	105,484
Other liabilities	-	396,163
Due to other funds	-	684,323
Deferred revenue	-	8,059,849
Total Liabilities	<u>47,306</u>	<u>11,383,886</u>
Fund Balance - Encumbrances/ continued appropriations	-	6,098,630
Fund Balance - Non expendable permanent funds	-	400,180
Fund Balance - Expendable permanent funds	-	874,029
Fund Balance - Loans	-	6,353,861
Fund Balance - Special revenue purposes	957,561	11,406,362
Fund Balance - Available for Appropriation	-	4,897,922
Fund Balance - Petty cash	-	3,350
Fund Balance - Payroll & travel advances	2,000	4,395
Fund Balance - Following year budget	-	1,252,832
Total Fund Balances	<u>959,561</u>	<u>31,291,561</u>
Total Liabilities & Fund Balances	<u>\$ 1,006,867</u>	<u>\$ 42,675,447</u>

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
COMBINING LEVEL STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	School Lunch Fund	Highway Improvement Fund	Muni Revolving Fund	School Revolving Fund	Receipts Reserved Fund	Federal Community Development Fund	Muni Federal Grant Fund	Federal HOME Grant Fund
REVENUES:								
Property taxes	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -
Other taxes, penalties & interest	-	-	-	-	-	-	-	-
Charges for service	2,642,205	-	3,792,282	3,183,610	1,233,146	-	-	-
Departmental & other	-	-	-	-	872,238	-	-	-
Investment income	17,866	-	1,882	-	13,621	-	573	-
Special assessments	-	-	40,033	-	-	-	-	-
Intergovernmental revenue	450,548	-	-	-	-	2,846,399	334,544	1,359,485
Total Revenue	<u>3,110,619</u>	<u>-</u>	<u>3,834,197</u>	<u>3,183,610</u>	<u>2,119,005</u>	<u>2,846,399</u>	<u>335,117</u>	<u>1,359,485</u>
EXPENDITURES:								
General government	-	-	133,031	-	-	-	17,715	-
Public safety	-	-	2,246,297	-	-	-	171,869	-
Education	3,880,668	-	-	4,158,658	-	-	-	-
Public works	-	-	86,215	-	-	-	-	-
Health & human Services	-	-	64,240	-	-	2,846,399	146,062	1,447,878
Culture & recreation	-	-	1,216,712	-	-	-	60,252	-
Debt and interest	-	-	-	-	-	-	-	-
Pensions & retiree benefits	-	-	-	-	-	-	-	-
State assessments	-	-	-	-	-	-	-	-
Total Expenditures	<u>3,880,668</u>	<u>-</u>	<u>3,746,495</u>	<u>4,158,658</u>	<u>-</u>	<u>2,846,399</u>	<u>395,898</u>	<u>1,447,878</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>(770,049)</u>	<u>-</u>	<u>87,702</u>	<u>(975,048)</u>	<u>2,119,005</u>	<u>-</u>	<u>(60,781)</u>	<u>(88,393)</u>
Transfers from other funds	907,691	-	-	1,613,035	7,672	-	-	-
Transfers to other funds	-	(132,459)	(741,837)	-	(1,200,429)	-	(2,000)	-
Excess/(Deficiency) of Revenues & Transfers over Expenditures & Transfers	<u>137,642</u>	<u>(132,459)</u>	<u>(654,135)</u>	<u>637,987</u>	<u>926,248</u>	<u>-</u>	<u>(62,781)</u>	<u>(88,393)</u>
Other Financing Sources	-	-	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-	-	-
Excess/(Deficiency) of Revenues, Transfers & Other Sources over Expenditures, Transfers & Other Uses	<u>137,642</u>	<u>(132,459)</u>	<u>(654,135)</u>	<u>637,987</u>	<u>926,248</u>	<u>-</u>	<u>(62,781)</u>	<u>(88,393)</u>
Fund Balance - beginning of fiscal year	<u>7,054</u>	<u>132,459</u>	<u>2,600,547</u>	<u>-</u>	<u>2,726,002</u>	<u>250</u>	<u>117,029</u>	<u>88,393</u>
Fund Balance - end of fiscal year	<u>\$ 144,696</u>	<u>\$ -</u>	<u>\$ 1,946,412</u>	<u>637,987</u>	<u>\$ 3,652,250</u>	<u>\$ 250</u>	<u>\$ 54,248</u>	<u>\$ -</u>

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
COMBINING LEVEL STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	<u>Muni State Grant Fund</u>	<u>School State Grant Fund</u>	<u>School Federal Grant Fund</u>	<u>Community Preservation Fund</u>	<u>NCDA Fund</u>	<u>Permanent Fund</u>	<u>Sewer Utility Fund</u>
REVENUES:							
Property taxes	\$ -	\$ -	\$ -	\$ 1,979,000	\$ -	\$ -	\$ -
Other taxes, penalties & interest	-	-	-	5,081	-	-	-
Charges for service	-	-	-	-	-	-	18,739,450
Departmental & other	-	-	-	-	-	257,419	-
Investment income	297	-	-	235,180	104,810	20,233	-
Special assessments	-	-	-	-	-	-	-
Intergovernmental revenue	1,133,123	6,138,741	4,271,684	2,017,149	-	-	-
Total Revenue	<u>1,133,420</u>	<u>6,138,741</u>	<u>4,271,684</u>	<u>4,236,410</u>	<u>104,810</u>	<u>277,652</u>	<u>18,739,450</u>
EXPENDITURES:							
General government	18,987	-	-	813,824	-	54,078	-
Public safety	127,968	-	-	-	-	-	-
Education	526,974	5,839,522	4,465,411	-	-	-	-
Public works	62,952	-	-	-	-	-	3,129,037
Health & human Services	328,359	-	-	3,571,371	-	-	-
Culture & recreation	185,009	-	-	434,737	-	357,983	-
Debt and interest	-	-	-	964,800	-	-	884,722
Pensions & retiree benefits	-	-	-	-	-	-	181,880
State assessments	-	-	-	-	-	-	13,884,034
Total Expenditures	<u>1,250,249</u>	<u>5,839,522</u>	<u>4,465,411</u>	<u>5,784,732</u>	<u>-</u>	<u>412,061</u>	<u>18,079,673</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>(116,829)</u>	<u>299,219</u>	<u>(193,727)</u>	<u>(1,548,322)</u>	<u>104,810</u>	<u>(134,409)</u>	<u>659,777</u>
Transfers from other funds	-	-	-	-	-	-	545,765
Transfers to other funds	(2,541)	-	-	(30,000)	-	-	(855,763)
Excess/(Deficiency) of Revenues & Transfers over Expenditures & Transfers	<u>(119,370)</u>	<u>299,219</u>	<u>(193,727)</u>	<u>(1,578,322)</u>	<u>104,810</u>	<u>(134,409)</u>	<u>349,779</u>
Other Financing Sources	-	-	-	-	3,074,378	-	-
Other Financing Uses	-	-	-	-	-	-	-
Excess/(Deficiency) of Revenues, Transfers & Other Sources over Expenditures, Transfers & Other Uses	<u>(119,370)</u>	<u>299,219</u>	<u>(193,727)</u>	<u>(1,578,322)</u>	<u>3,179,188</u>	<u>(134,409)</u>	<u>349,779</u>
Fund Balance - beginning of fiscal year	<u>646,115</u>	<u>22,292</u>	<u>217,827</u>	<u>7,072,894</u>	<u>3,672,323</u>	<u>1,408,618</u>	<u>3,659,626</u>
Fund Balance - end of fiscal year	<u>\$ 526,745</u>	<u>\$ 321,511</u>	<u>\$ 24,100</u>	<u>\$ 5,494,572</u>	<u>\$ 6,851,511</u>	<u>\$ 1,274,209</u>	<u>\$ 4,009,405</u>

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
COMBINING LEVEL STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	<u>Water Utility Fund</u>	<u>Gift Fund</u>	<u>Total</u>
REVENUES:			
Property taxes	\$ -	\$ -	\$ 1,979,000
Other taxes, penalties & interest	-	-	5,081
Charges for service	13,571,897	-	43,162,590
Departmental & other	-	684,353	1,814,010
Investment income	-	-	394,462
Special assessments	-	-	40,033
Intergovernmental revenue	2,380	-	18,554,053
Total Revenue	<u>13,574,277</u>	<u>684,353</u>	<u>65,949,229</u>
EXPENDITURES:			
General government	-	3,725	1,041,360
Public safety	-	236	2,546,370
Education	-	429,557	19,300,790
Public works	2,557,601	-	5,835,805
Health & human Services	-	30,855	8,435,164
Culture & recreation	-	74,370	2,329,063
Debt and interest	1,327,885	-	3,177,407
Pensions & retiree benefits	290,268	-	472,148
State assessments	7,413,972	-	21,298,006
Total Expenditures	<u>11,589,726</u>	<u>538,743</u>	<u>64,436,113</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>1,984,551</u>	<u>145,610</u>	<u>1,513,116</u>
Transfers from other funds	-	-	3,074,163
Transfers to other funds	(1,214,365)	-	(4,179,394)
Excess/(Deficiency) of Revenues & Transfers over Expenditures & Transfers	<u>770,186</u>	<u>145,610</u>	<u>407,885</u>
Other Financing Sources	-	-	3,074,378
Other Financing Uses	-	-	-
Excess/(Deficiency) of Revenues, Transfers & Other Sources over Expenditures, Transfers & Other Uses	<u>770,186</u>	<u>145,610</u>	<u>3,482,263</u>
Fund Balance - beginning of fiscal year	<u>4,623,918</u>	<u>813,951</u>	<u>27,809,298</u>
Fund Balance - end of fiscal year	<u>\$ 5,394,104</u>	<u>\$ 959,561</u>	<u>\$ 31,291,561</u>

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
MUNICIPAL REVOLVING FUND SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Transferred From Other Funds	Expenditures	Transferred To Other Funds	Ending Balance
PROPERTY DAMAGE RECOVERY ACCOUNTS						
Building Department	\$ -	\$ 401	\$ -	\$ 401	\$ -	\$ -
Police Department	-	17,840	-	17,840	-	-
Fire Department	-	2,101	-	2,101	-	-
Public Works Department						
Vehicle Damage	-	-	-	-	-	-
Traffic Signal/Light Damage	-	44,986	-	44,986	-	-
Hydrant Damage	-	2,559	-	2,559	-	-
Newton Public Library	-	20,430	-	20,430	-	-
Parks & Recreation Department						
Vehicle Damage	-	-	-	-	-	-
Tree Damage	-	5,211	-	5,211	-	-
Total Property Damage Accounts	-	93,528	-	93,528	-	-
PRIVATE DUTY DETAIL ACCOUNTS						
Police Private Duty Detail Account	(303,451)	1,829,173	-	1,955,397	-	(429,675)
Fire Private Duty Detail Account	(7,080)	231,411	-	242,237	-	(17,906)
Planning Extra Duty Account	-	14,147	-	14,147	-	-
Inspectional Services Private Duty Detail Account	1	2,365	-	2,366	-	-
Engineering Private Duty Detail Account	1,740	3,472	-	5,212	-	-
Sewer Services Private Duty Detail Account	-	3,172	-	3,172	-	-
Water Services Private Duty Detail Account	-	23,736	-	22,955	-	781
Public Building Private Duty Detail Account	450	684	-	1,134	-	-
Public Works Utility Detail Account	-	-	-	-	-	-
Total Private Detail Accounts	(308,340)	2,108,160	-	2,246,620	-	(446,800)
PUBLIC SCHOOL REVOLVING ACCOUNTS						
School Athletics	59,545	-	-	-	(59,545)	-
School Damage Recoveries	18,034	-	-	-	(18,034)	-
School Transportation	6,213	-	-	-	(6,213)	-
Summer School	278,638	-	-	-	(278,638)	-
Drivers Education	22,012	-	-	-	(22,012)	-
Creative Arts	201,622	-	-	-	(201,622)	-
Pre-School Program	58,965	-	-	-	(58,965)	-

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
MUNICIPAL REVOLVING FUND SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Transferred From Other Funds	Expenditures	Transferred To Other Funds	Ending Balance
Tiger Loft Food Program	21,631	-	-	-	(21,631)	-
Continuing Education	75,177	-	-	-	(75,177)	-
Total Public School Revolving Accounts	741,837	-	-	-	(741,837)	-

DEPARTMENTAL REVOLVING ACCOUNTS

Planning Department Conservation Land Maintenance	41,468	25,000	-	27,448	-	39,020
Planning Department Environmental Education	26,379	26,653	-	33,725	-	19,307
Planning Department Deer Park Maintenance	105	-	-	-	-	105
Planning Department Plantings	-	-	-	-	-	-
Planning Department - WEI Program	12,309	6,000	-	5,951	-	12,358
Mayor's Office - Women's Commission Programs	2,074	-	-	-	-	2,074
Old Carr School Building Use	-	8,215	-	5,039	-	3,176
Police Dept. DARE Program Activities	956	-	-	-	-	956
Police Dept. PAVE Program Activities	4,469	-	-	-	-	4,469
Public Works Dept. Street Opening Permit Street Maint	322,745	79,050	-	-	-	401,795
Public Works Dept. Sale of Composting Bins	533	2,110	-	-	-	2,643
Public Works Dept. Sidewalk/Curb Betterment	184,216	40,033	-	-	-	224,249
Public Works Dept. Private Way Repairs	-	7,331	-	7,331	-	-
Newton Public Library Rental of Library Space	1,832	17,578	-	18,805	-	605
Health & Human Services-Active Newton Campaign	-	4,413	-	-	-	4,413
Health & Human Services Dept. Human Rights Commission	494	-	-	-	-	494
Senior Services Dept. Sr. Citizen Transportation	30,163	18,931	-	1,675	-	47,419
Senior Services Dept. Senior Center Activity Revolving	29,216	{1} 38,464	-	56,939	-	10,741
Senior Services Dept. Senior Center Memorial Revolving	5,276	-	-	-	-	5,276
Senior Services Dept. - Council on Aging Revolving	21,637	4,424	-	4,440	-	21,621
Health & Human Services Dept. - Youth Services Revolving	115	78	-	178	-	15
Health & Human Services Dept. - Campership Revolving	1,008	205	-	1,008	-	205
Parks Department - Tree Replacement Ordinance	376,294	84,218	-	65,547	-	394,965
Parks Department - Park Land Maintenance Revolving	55,017	25,000	-	11,144	-	68,873
Parks Department - Landscape Maintenance	632	-	-	-	-	632
Parks Department Senior Citizen Services	63,570	50,646	-	44,196	-	70,020
Parks Department Arts In the Park	25,645	178,981	-	168,630	-	35,996
Parks Dept. Camp Programs	277,169	362,679	-	364,436	-	275,412
Parks Department Recreation Activities/Classes	615,483	540,483	-	517,959	-	638,007
Jackson Homestead Activities	8,945	4,794	-	354	-	13,385
Total Departmental Revolving Accounts	2,107,750	1,525,286	-	1,334,805	-	2,298,231

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
MUNICIPAL REVOLVING FUND SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Transferred From Other Funds	Expenditures	Transferred To Other Funds	Ending Balance
OTHER REVOLVING FUNDS						
Conservation Commission Wetlands Protection Program	14,223	8,458	-	5,083	-	17,598
Planning Department - Cornerstone Development	1,577	10,252	-	9,757	-	2,072
Planning Department - National Development	778	34	-	-	-	812
Planning Department - New England Development	-	32,594	-	29,745	-	2,849
Planning Department - Clear Channel Conservation Monitoring	-	13,665	-	601	-	13,064
Engineering Department - Chestnut Hill Square Drainage	-	12,655	-	-	-	12,655
Total Other Revolving Funds	16,578	77,658	-	45,186	-	49,050
PUBLIC SAFETY ASSET FORFEITURES						
Police - State Asset Forfeitures	530	129	-	-	-	659
Police - Middlesex County Asset Forfeitures	4,224	29,436	-	15,500	-	18,160
Police - U.S Justice Department Asset Forfeitures	37,967	-	-	10,856	-	27,111
Total Public Safety Asset Forfeitures	42,721	29,565	-	26,356	-	45,930
 TOTAL REVOLVING FUNDS	 \$ 2,600,546	 \$ 3,834,197	 \$ -	 \$ 3,746,495	 \$ (741,837)	 \$ 1,946,411

{1} Includes \$500 Petty Cash Account

CITY OF NEWTON, MASSACHUSETTS
SCHOOL REVOLVING FUND
SUMMARY OF OPERATING ACTIVITY
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Transferred From Other Funds	Expenditures	Ending Balance
School Damage Recoveries	\$ -	\$ 9,940	\$ 18,033	\$ 12,025	\$ 15,948
Student Transportation	-	267,670	6,213	263,248	10,635
High School Parking	-	62,391	-	60,660	1,731
School Athletics	-	471,960	930,743	1,354,234	48,469
Summer School	-	343,456	278,638	429,416	192,678
Drivers Education	-	(540)	22,012	19,910	1,562
Creative Arts	-	327,187	201,622	372,815	155,994
Use of School Buildings	-	403,173	-	403,173	-
Pre-School Program	-	378,194	58,965	377,075	60,084
Tiger Loft Food Program	-	34,204	21,631	40,643	15,192
Continuing Education	-	885,975	75,178	825,459	135,694
Total Public School Revolving Accounts	\$ -	\$ 3,183,610	\$ 1,613,035	\$ 4,158,658	\$ 637,987

CITY OF NEWTON
SPECIAL REVENUE FUNDS
RECEIPTS RESERVED FOR APPROPRIATION FUND
SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Interfund Transfers	Following Year Budget	Ending Balance
E-Rate Reimbursements (Libraries/Schools)	\$ 5,264	\$ 52,035	\$ (5,500)	\$ -	\$ 51,799
Inland Waterway Fund (BO#477-95)	8,561	-	-	-	8,561
Environmental/Solid Waste Management Fund (BO #100-96)	835,803	309,835	(200,000)	(300,000)	645,638
BAA Boston Marathon Contribution	147,500	56,250	(85,000)	-	118,750
Damage Recoveries - Greater than \$20,000	-	-	-	-	-
Riverside Traffic Mitigation Fund (BO#155-00)					
Auburndale Improvements	125,038	5,398	2,200	-	132,636
Lower Falls Improvements	83,046	3,593	-	-	86,639
Other Improvements	57,654	2,489	-	-	60,143
Hebrew College Traffic Mitigation Fund	35,000	-	-	-	35,000
CFK (Bradford Development) Traffic Mitigation Fund	25,000	-	-	-	25,000
Terraces Traffic Mitigation Fund	10,000	-	5,472	-	15,472
Terraces Landscape Fund	10,000	-	-	-	10,000
Newton Wellesley Hospital Drainage Mitigation Fund	16,132	696	-	-	16,828
Newton Wellesley Hospital Traffic Mitigation Fund	25,045	1,081	-	-	26,126
Woodland Station LLC Storm Drainage Infiltration/Inflow Mitigation	-	85,380	-	-	85,380
Woodland Station LLC Traffic Control Improvements- Comm Ave/Beacon	-	64,620	-	-	64,620
NCGF Mayor's Golf Day Activities	14,406	11,787	(14,406)	-	11,787
Hampton Place Drainage Escrow	-	-	-	-	-
Kesseler Woods I&I Mitigation Escrow	73,750	326,000	-	-	399,750

CITY OF NEWTON
SPECIAL REVENUE FUNDS
RECEIPTS RESERVED FOR APPROPRIATION FUND
SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Interfund Transfers	Following Year Budget	Ending Balance
RCN CATV Administrative Fee	69,829	50,382	-	-	120,211
Comcast CATV Administrative Fee	203,190	129,704	(136,691)	(100,000)	96,203
Inclusionary Housing - Newton Housing Authority	-	43,124			43,124
Inclusionary Housing - Newton Planning & Development Department	-	43,123			43,123
Sale of Municipal Real Estate	36,000	9,833	-	-	45,833
Sale of Municipal Real Estate - Library Maint. & Operation	8,447	364	-	-	8,811
Sale of Municipal Park Land	2,209	-	-	-	2,209
Parking Meter Revenue - Off Street Meters	387,289	391,877	(399,416)	(279,832)	99,918
Parking Meter Revenue - Curb Meters	546,839	531,434	(359,416)	(573,000)	145,857
TOTAL RECEIPTS RESERVED FOR APPROPRIATION	\$ 2,726,002	\$ 2,119,005	\$ (1,192,757)	\$ (1,252,832)	\$ 2,399,418

CITY OF NEWTON, MASSACHUSETTS
RECEIPTS RESERVED FUND
PARKING METER RECEIPT ACCOUNTS
Monthly Revenue History
Fiscal Year 2006
(with comparative information for previous five fiscal years)

CURB METER REVENUE:	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003	Fiscal Year 2002	Fiscal Year 2001
July	\$ 41,704	\$ 50,206	\$ 51,883	\$ 44,319	\$ 31,587	\$ 28,388
August	49,612	48,751	42,222	45,795	45,700	36,923
September	51,164	45,482	51,262	39,767	37,999	29,120
October	40,992	41,191	45,758	52,066	45,625	29,301
November	40,612	45,982	40,769	39,827	37,836	34,784
December	39,401	37,779	36,871	39,663	40,061	28,194
January	37,158	31,751	37,243	32,598	45,328	27,800
February	32,471	27,844	39,152	19,341	40,128	27,486
March	52,463	39,672	47,281	44,407	41,471	27,301
April	43,392	45,256	47,008	48,635	48,142	30,114
May	52,410	48,079	45,789	49,603	48,800	34,966
June	50,055	54,377	43,364	43,468	41,378	34,775
TOTAL ANNUAL REVENUE :	\$ 531,434	\$ 516,370	\$ 528,602	\$ 499,489	\$ 504,055	\$ 369,152

OFF STREET METER REVENUE:	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003	Fiscal Year 2002	Fiscal Year 2001
July	29,629	\$ 35,448	\$ 32,399	\$ 35,696	\$ 33,593	\$ 34,136
August	37,055	34,132	30,321	29,347	32,974	34,468
September	26,023	31,484	31,722	33,657	29,313	31,565
October	30,227	31,155	34,732	34,038	38,125	40,761
November	27,997	34,682	31,529	31,405	28,124	30,786
December	32,738	32,856	30,304	30,432	32,150	31,031
January	35,137	26,186	26,445	32,028	30,300	34,084
February	33,910	39,145	28,841	39,593	29,239	30,494
March	34,226	43,900	35,300	35,910	31,577	27,769
April	31,837	28,846	34,174	35,007	35,404	37,504
May	37,461	34,558	32,760	34,073	34,997	36,767
June	35,637	35,442	36,244	37,688	31,116	31,034
TOTAL ANNUAL REVENUE:	\$ 391,877	\$ 407,834	\$ 384,771	\$ 408,874	\$ 386,912	\$ 400,399

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
MUNICIPAL FEDERAL GRANT FUND
SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Transfer From Other Funds	Expenditures	Transfer To Other Funds	Ending Balance
Emergency Shelter Grant -(14.231)	\$ 6,209	\$ 106,002	\$ -	\$ 106,002	\$ -	\$ 6,209
Library LSTA Technology Grant (45.310)	11,756	-	-	11,756	-	-
HUD HMIS Grant	-	1,949	-	1,949	-	-
Title III-B Senior Citizen Transportation Grant - (93.044)	22,001	-	-	22,001	-	-
Museum for America Grant (45.301)	23,055	22,548	-	45,603	-	-
FEMA Emergency Shelter/Food Grant - (83.523)	121	(121)	-	-	-	-
Title IIIC Grant - (93.045)	-	2,850	-	293	-	2,557
Justice Department COPS Homeland Security Overtime Grant - (16.614)	28,620	40,201	-	43,723	-	25,098
Justice Dept. Law Enforcement Block Grant - (16.592)	15,297	573	-	-	(2,000)	13,870
Justice Dept. - Bulletproof Vest Partnership Grant - (16.607)	-	8,826	-	8,826	-	-
Homeland Security Department- Homeland Security Equipment Grant (97.007)	-	11,964	-	11,964	-	-
Homeland Security Department - SHSP II Training Grant (97.007)	-	107,356	-	107,356	-	-
Energy Department Solar Energy Grant (81.117)	4,877	15,763	-	17,715	-	2,925
CDC - Public Health Emergency Preparedness Grant (93.283)	-	17,206	-	15,817	-	1,389
Urban Forestry Grant (15.916)	2,893	-	-	2,893	-	-
FEMA - Emergency Snow/Ice Removal Grants (83.516)	-	-	-	-	-	-
FEMA - Local Preparedness Grant (83.516)	-	-	-	-	-	-
FEMA - Comprehensive Emergency Management Grant (83.516)	2,200	-	-	-	-	2,200
Total Federal Grants - Municipal	\$ 117,029	\$ 335,117	\$ -	\$ 395,898	\$ (2,000)	\$ 54,248

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
MUNICIPAL STATE GRANT FUND
SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Transfer From Other Funds	Expenditures	Transfer To Other Funds	Ending Balance
Industrial Accident Board Safety Grant (Human Resources)	\$ -	\$ 3,113	\$ -	\$ 3,113	\$ -	\$ -
Extended Election Hour Reimbursement Grant (Election Commission)	34,224	-	-	5,374	-	28,850
Historic Preservation Planning Grant (Planning)	20,500	8,986	-	10,500	-	18,986
Burial Ground Historic Preservation Grant (Planning)	4,455	-	-	-	-	4,455
Houghton Garden Historic Preservation Grant (Planning)	29,133	-	-	-	-	29,133
Jackson Homestead Renovation Grant - (Planning)	7,500	-	-	-	-	7,500
Mass Technology Corp Solar Energy Design Grant (Public Buildings)	50,951	-	-	50,951	-	-
Mass Technology Corp Solar Energy Construction Grant (Public Buildings)	-	476,023	-	476,023	-	-
Solar Trash Compactor Grant (Parks)	-	23,000	-	23,000	-	-
DEP Lake & Pond Grant (Hammond Pond Evaluation)	22,300	4,523	-	-	-	26,823
Fire Regional HAZMAT Grant	-	21,590	-	21,590	-	-
Fire Emergency Planning Grant	5,000	-	-	5,000	-	-
Fire Mobile Decontamination Unit Operations & Maintenance Grant	8,181	7,000	-	2,377	-	12,804
Police Safety Equipment Grant	-	7,000	-	7,000	-	-
Fire Safety Equipment Grant	4	-	-	4	-	-
Police Bullet Proof Vest Grant	-	8,826	-	8,826	-	-
Police Community Policing Grant	58,588	46,313	-	62,937	-	41,964
Police DARE Tobacco Control Grant	4,000	-	-	4,000	-	-
Police Emergency Medical Dispatch Grant	-	16,600	-	1,000	-	15,600
Governor's Highway Safety Program Seat Belt Safety Grant (Police)	-	15,234	-	15,234	-	-

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
MUNICIPAL STATE GRANT FUND
SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Transfer From Other Funds	Expenditures	Transfer To Other Funds	Ending Balance
DEP Sewer Rate Relief Grant (DPW)	-	2,541	-	-	(2,541)	-
DEP Municipal Recycling Incentive Grant (Public Works)	309,523	18,578	-	51,219	-	276,882
Essential School Health Nursing Grant (Health)	4,433	187,648	-	192,081	-	-
Council on Aging Formula Grant (Human Services)	66,884	93,456	-	97,278	-	63,062
Regional Consumer Protection Grant (Human Services)	-	39,000	-	39,000	-	-
State Library Aid Grant	-	143,002	-	143,002	-	-
Massachusetts Tree Grants - Reimbursements	3,214	-	-	3,214	-	-
MEMA Storm Reimbursement Grant	-	-	-	-	-	-
Massachusetts Turnpike Authority: Park & Tremont Traffic Signal Grant	11,733	-	-	11,733	-	-
Arts Lottery Commission Art Support Grant - MGL 10 ss 35c	5,492	10,987	-	15,793	-	686
	<u>5,492</u>	<u>10,987</u>	<u>-</u>	<u>15,793</u>	<u>-</u>	<u>686</u>
Total City State Grant Fund	\$ <u>646,115</u>	\$ <u>1,133,420</u>	\$ <u>-</u>	\$ <u>1,250,249</u>	\$ <u>(2,541)</u>	\$ <u>526,745</u>

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
SCHOOL STATE GRANT FUND
SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

		Beginning Balance		Revenue		Transf. from Other Funds		Expenditures		Transferred To Other Funds		Ending Balance
METCO Grant	\$	11,350	\$	2,179,724		-	\$	2,171,249	\$	-	\$	19,825
Early Childhood Grant/Commty Partnership Grant		5,628		406,316		-		410,859		-		1,085
SPED Circuitbreaker Grant		-		2,953,205		-		2,660,205		-		293,000
Parent-Child Grant		-		80,000		-		80,000		-		-
Massachusetts Rehabilitation Grant		-		95,453		-		95,453		-		-
Voc Tech Program Alignment Grant		-		10,895		-		10,895		-		-
Full Day Kindergarten Grant		5,314		396,375		-		394,088		-		7,601
Community Partnership Grant		-		-		-		-		-		-
Teacher Preparation Grant		-		14,585		-		14,585		-		-
GED Grant		-		2,188		-		2,188		-		-
Total State Education Grant Funds	\$	<u>22,292</u>	\$	<u>6,138,741</u>		<u>-</u>	\$	<u>5,839,522</u>	\$	<u>-</u>	\$	<u>321,511</u>

CITY OF NEWTON, MASSACHUSETTS
SCHOOL FEDERAL GRANT FUND
SUMMARY OF OPERATING ACTIVITY
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Transferred From Other Funds	Expenditures	Transferred To Other Funds	Ending Balance
PL 94-142 SPED Allocation (84.027)	\$ 50,090	\$ 2,543,454	\$ -	\$ 2,593,544	\$ -	\$ -
PL 94-142 Mental Health Grant (84.027)	5,965	13,637	-	19,602	-	-
Educator Quality Grant (84.367)	49,216	215,092	-	264,308	-	-
Title V Block Grant (84.151)	536	15,973	-	16,509	-	-
Title I (84.010)	15,769	415,169	-	430,938	-	-
Carl Perkins Occupational Education Grant (84.048)	10,412	67,757	-	78,169	-	-
Learn & Serve Grant (94.004)	998	11,753	-	12,751	-	-
Teaching American History Grant (84.215)	-	299,839	-	299,839	-	-
Emergency Impact Aid Grant (84.162)	-	20,000	-	20,000	-	-
SPED Early Childhood Grant (84.173)	14,828	67,229	-	81,049	-	1,008
Drug Free School Grant (84.186)	861	32,441	-	33,302	-	-
SPED Induction Grant (84.173)	-	20,000	-	14,770	-	5,230
SPED Electronic Portfolio (84.027)	1,500	1,500	-	2,090	-	910
Secondary Reading Grant (84.027)	8,336	45,204	-	51,449	-	2,091
SPED Current Frameworks Grant (84.027)	22,615	9,170	-	31,785	-	-
Education Thru Technology Grant (84.318)	10,984	7,756	-	10,984	-	7,756
SPED Autistic Grant	-	37,500	-	30,896	-	6,604
Comprehensive School Reform Grant (84.010)	-	-	-	-	-	-
Small Learning Communities Grant (84.215L)	-	214,331	-	214,331	-	-
Healthy Communities Grant (66.951)	5,959	501	-	5,959	-	501
Interface Grant (84.215M)	-	109,043	-	109,043	-	-
LEP Support - NCLB Title III (84.365)	19,758	124,335	-	144,093	-	-
Total Federal Education Grants	\$ 217,827	\$ 4,271,684	\$ -	\$ 4,465,411	\$ -	\$ 24,100

CITY OF NEWTON, MASSACHUSETTS
COMMUNITY PRESERVATION FUND
COMPARATIVE BALANCE SHEET - BUDGETARY BASIS
June 30, 2006
(with comparative information for June 30, 2005)

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>\$ Variance</u>	<u>% Variance</u>
ASSETS:				
Cash and short term investments	\$ 5,416,385	\$ 7,173,800	\$ (1,757,415)	-24.50%
Receivables, net of allowance for uncollectibles				
Current year tax surcharges receivable	45,196	52,790	(7,594)	-14.39%
Prior year tax surcharges receivable	18,904	6,000	12,904	215.07%
Intergovernmental				
Land and Conservation Fund - Forte Park	117,839	-	117,839	n/a
Community Preservation Matching Funds	1,973,967	1,899,326	74,641	3.93%
Notes receivable - Newton Conservators	1,100,000	1,100,000	-	0.00%
Other accounts receivable	275	298	(23)	-7.72%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>8,672,566</u>	<u>10,232,214</u>	<u>(1,559,648)</u>	<u>-15.24%</u>
LIABILITIES:				
Warrants payable	9,904	56,561	(46,657)	0.00%
Accrued liabilities	48,720	44,345	4,375	0.00%
Deferred revenue	3,119,370	3,058,414	60,956	1.99%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>3,177,994</u>	<u>3,159,320</u>	<u>18,674</u>	<u>0.59%</u>
FUND BALANCES:				
Reserved/designated for:				
Encumbrances and continued appropriations	4,688,077	4,887,428	(199,351)	-4.08%
Open space purposes - future year appropriations	298,982	346,113	(47,131)	-13.62%
Historic preservation purposes - future year appropriations	96,567	-	96,567	n/a
Undesignated fund balance	410,946	1,839,353	(1,428,407)	-77.66%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>5,494,572</u>	<u>7,072,894</u>	<u>(1,578,322)</u>	<u>-22.32%</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 8,672,566</u>	<u>\$ 10,232,214</u>	<u>\$ (1,559,648)</u>	<u>-15.24%</u>

CITY OF NEWTON, MASSACHUSETTS
COMMUNITY PRESERVATION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
BUDGET TO ACTUAL
Fiscal Year ended June 30, 2006

	Original Budget	Final Revised Budget	Revenues and Expenditures	Encumbrances and Cont. Appropriations	Closed to Fund Balance	% Budget
REVENUES						
Real estate and personal property taxes	\$ 1,146,927	\$ 1,971,562	\$ 1,979,000	-	7,438	0.4%
Penalties and interest on taxes	-	-	5,081	-	5,081	n/a
Intergovernmental	-	1,899,326	2,017,149	-	117,823	6.2%
Investment income	-	-	235,180	-	235,180	n/a
Total revenues	<u>1,146,927</u>	<u>3,870,888</u>	<u>4,236,410</u>	<u>-</u>	<u>365,522</u>	<u>6.6%</u>
EXPENDITURES						
Administration & operations	155,997	155,997	118,631	-	37,366	24.0%
Community Preservation Appropriation Reserve	-	8,058	-	-	8,058	100.0%
Open space	1,052,605	1,066,336	922,742	126,594	17,000	1.6%
Historic resources	1,256,057	1,848,207	667,441	1,084,199	96,567	5.2%
Community housing:	2,476,649	5,302,682	3,571,371	1,731,311	-	0.0%
Community recreation	1,063,047	2,250,520	504,547	1,745,973	-	0.0%
Total expenditures	<u>6,004,355</u>	<u>10,631,800</u>	<u>5,784,732</u>	<u>4,688,077</u>	<u>158,991</u>	<u>1.5%</u>
Excess/(deficiency) of revenues over expenditures	<u>(4,857,428)</u>	<u>(6,760,912)</u>	<u>(1,548,322)</u>			
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(30,000)	(30,000)	(30,000)	-	-	-
Total other financing sources and uses	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>	
Net change in fund balances	(4,887,428)	(6,790,912)	(1,578,322)			
Fund balances - Beginning of fiscal year	<u>7,072,894</u>	<u>7,072,894</u>	<u>7,072,894</u>			
Fund balances - End of fiscal year	<u>\$ 2,185,466</u>	<u>\$ 281,982</u>	<u>\$ 5,494,572</u>			

CITY OF NEWTON, MASSACHUSETTS
COMMUNITY PRESERVATION FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS TO OTHER FUNDS - BUDGET TO ACTUAL
LEGAL LEVEL OF CONTROL
Fiscal Year ended June 30, 2006

	June 30, 2005 Continued Appropriations	Current Year Appropriations	Total Original Budget	YTD Budget Revisions	Total Final Budget	Expended	Encumbered/ Continued	Closed to Fund Balance
Administration & operations	\$ 3,870	182,127	\$ 185,997	\$ -	\$ 185,997	\$ 148,631	\$ -	\$ 37,366
2006 CPA appropriation reserve	-	-	-	8,058	8,058	-	-	8,058
Open space:								
Open space reserve	-	-	-	17,000	17,000	-	-	17,000
Kessler Woods land acquisition	3,684	-	3,684	-	3,684	-	3,684	-
Elgin Street conservation land	5,791	-	5,791	(2,459)	3,332	3,332	-	-
Flowed Meadow improvements	68,215	-	68,215	(17,000)	51,215	47,622	3,593	-
Flowed Meadow improvements Phase III	30,700	-	30,700	-	30,700	-	30,700	-
Bowen Park initiative	-	-	-	8,090	8,090	1,346	6,744	-
Cheesecake Brook Greenway Development	-	-	-	3,500	3,500	-	3,500	-
Renovations to Albemarle Park Central Corridor	-	-	-	4,600	4,600	-	4,600	-
Forte conservation land	4,865	-	4,865	-	4,865	1,614	3,251	-
Angino farm land acquisition	114,170	-	114,170	-	114,170	43,648	70,522	-
Angino farm debt service	-	209,430	209,430	-	209,430	209,430	-	-
Kessler Woods debt service	-	615,750	615,750	-	615,750	615,750	-	-
Total - Open space projects	227,425	825,180	1,052,605	13,731	1,066,336	922,742	126,594	17,000
Historic resources:								
Historic preservation reserve	-	-	-	96,567	96,567	-	-	96,567
City Hall window replacement	74,600	-	74,600	-	74,600	74,600	-	-
City Hall balustrade replacement	-	-	-	-	-	-	-	-
City Hall lighting improvement	10,600	-	10,600	(10,600)	-	-	-	-
City Hall landscape plan	40,000	-	40,000	650	40,650	40,650	-	-
Newton Corner Library improvements	219,609	-	219,609	55,700	275,309	258,141	17,168	-
Newton Centre Health Dept building study	-	-	-	26,425	26,425	-	26,425	-
Historical burial grounds restoration	153,561	-	153,561	(18,500)	135,061	31,955	103,106	-
Historical burial grounds restoration Phase IIa	257,395	-	257,395	-	257,395	13,800	243,595	-
Angino farm land acquisition	38,384	-	38,384	-	38,384	-	38,384	-
Angino farm farmhouse deleading	-	-	-	70,000	70,000	-	70,000	-
Angino farm debt service	-	69,810	69,810	-	69,810	69,810	-	-
Washington Park historic lighting	131,035	-	131,035	-	131,035	16,500	114,535	-
Civil war monument repairs	15,000	-	15,000	-	15,000	4,250	10,750	-
War Memorial steps repair design	15,000	-	15,000	-	15,000	5,281	9,719	-
Durant Kenrick Homestead Needs Assessment	-	-	-	78,500	78,500	896	77,604	-
Brigham house restoration study	5,900	-	5,900	-	5,900	3,004	2,896	-
Brigham house restoration	-	-	-	250,700	250,700	-	250,700	-

CITY OF NEWTON, MASSACHUSETTS
COMMUNITY PRESERVATION FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS TO OTHER FUNDS - BUDGET TO ACTUAL
LEGAL LEVEL OF CONTROL
Fiscal Year ended June 30, 2006

	Continued Appropriations	Current Year Appropriations	Original Budget	Budget Revisions	Final Budget	Expended	Encumbered/ Continued	Closed to Fund Balance
248 Eliot Street Housing Assistance	63,290	-	63,290	-	63,290	-	63,290	-
248 Eliot Street Clapboard Restoration	-	-	-	43,600	43,600	-	43,600	-
West Suburban YMCA window replacement	160,273	-	160,273	-	160,273	147,846	12,427	-
Historic district signs	1,600	-	1,600	(892)	708	708	-	-
Total - Historic preservation	1,186,247	69,810	1,256,057	592,150	1,848,207	667,441	1,084,199	96,567
Community housing:								
Community housing reserve	-	-	-	-	-	-	-	-
Accessory Apartment Incentive Program	-	-	-	320,550	320,550	7,422	313,128	-
Millhouse Commons Housing Assistance	-	-	-	738,383	738,383	696,731	41,652	-
Newton Homebuyer Assistance Program	290,209	-	290,209	-	290,209	290,209	-	-
Newton Homebuyer Assistance Program II	-	-	-	208,250	208,250	39,719	168,531	-
248 Eliot Street Housing Assistance	511,710	-	511,710	-	511,710	511,710	-	-
11-13 Cambria Road Housing Assistance	-	-	-	351,025	351,025	350,850	175	-
Covenant House	-	-	-	1,207,825	1,207,825	-	1,207,825	-
Wyman Street Housing Assistance	1,000,000	-	1,000,000	-	1,000,000	1,000,000	-	-
Falmouth/Jackson Roads Housing Assistance	550,000	-	550,000	-	550,000	550,000	-	-
Pelham House	124,730	-	124,730	-	124,730	124,730	-	-
Total - community housing	2,476,649	-	2,476,649	2,826,033	5,302,682	3,571,371	1,731,311	-
Community recreation:								
Forte Park improvements	222,770	-	222,770	-	222,770	211,995	10,775	-
Farlow/Chafin Park Preservation Plan	-	-	-	52,177	52,177	37,367	14,810	-
Newton Centre Playground Plan	-	-	-	67,853	67,853	60,086	7,767	-
Memorial-Spaulding outdoor classroom	73	-	73	(73)	-	-	-	-
Albemarle community classroom	12,518	-	12,518	-	12,518	-	12,518	-
Cabot outdoor classroom	60,898	-	60,898	-	60,898	11,848	49,050	-
Bowen Park initiative	-	-	-	196,910	196,910	11,246	185,664	-
Bowen field irrigation	29,800	-	29,800	-	29,800	29,800	-	-
West Newton common irrigation	57,613	-	57,613	(57,478)	135	135	-	-
Newton Highlands Playground Strategic Design	-	-	-	92,080	92,080	-	92,080	-
Renovations to Albemarle Park Central Corridor	-	-	-	28,800	28,800	-	28,800	-
Cheesecake Brook Greenway Development	-	-	-	21,600	21,600	-	21,600	-
Angino farm land acquisition	38,384	-	38,384	-	38,384	-	38,384	-
Angino farm debt service	-	69,810	69,810	-	69,810	69,810	-	-
Sterns/Pellegrini Park plans	25,096	-	25,096	(5,454)	19,642	19,642	-	-
Sterns/Pellegrini Park - Year 1 improvements	-	-	-	765,825	765,825	-	765,825	-
Williams school outdoor classroom	-	-	-	23,633	23,633	-	23,633	-
Wellington Park improvements	64,000	-	64,000	-	64,000	6,897	57,103	-

CITY OF NEWTON, MASSACHUSETTS
COMMUNITY PRESERVATION FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS TO OTHER FUNDS - BUDGET TO ACTUAL
LEGAL LEVEL OF CONTROL
Fiscal Year ended June 30, 2006

	Continued Appropriations	Current Year Appropriations	Original Budget	Budget Revisions	Final Budget	Expended	Encumbered/ Continued	Closed to Fund Balance
Gath pool accessibility improvements	120,875	-	120,875	1,600	122,475	45,721	76,754	-
The Park at Newton Senior Center	271,210	-	271,210	-	271,210	-	271,210	-
Houghton garden fence	90,000	-	90,000	-	90,000		90,000	-
Total - community recreation	<u>993,237</u>	<u>69,810</u>	<u>1,063,047</u>	<u>1,187,473</u>	<u>2,250,520</u>	<u>504,547</u>	<u>1,745,973</u>	<u>-</u>
TOTAL COMMUNITY PRESERVATION FUND:	\$ <u>4,887,428</u>	\$ <u>1,146,927</u>	\$ <u>6,034,355</u>	\$ <u>4,627,445</u>	\$ <u>10,661,800</u>	\$ <u>5,814,732</u>	\$ <u>4,688,077</u>	\$ <u>158,991</u>

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
PERMANENT FUND
SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year Ended June 30, 2006

	Beginning Balance	Revenue	Transfer. from Other Funds	Expenditures	Transfer. to Other Funds	Ending Balance
Davenport Cemetery Expendable	\$ 4,539	\$ 209	\$ -	\$ -	\$ -	\$ 4,748
Davenport Cemetery Non Expendable	500	-	-	-	-	500
Nahanton Park Expendable	1,523	103	-	-	-	1,626
Nahanton Park Non Expendable	963	-	-	-	-	963
Conservation Expendable	795	1,070	-	-	-	1,865
Conservation Non Expendable	25,000	-	-	-	-	25,000
Kennard Park Expendable	84,666	2,825	-	54,078	-	33,413
Hyde Community Center Expendable	20,257	2,912	-	-	-	23,169
Hyde Community Center Non Expendable	50,000	-	-	-	-	50,000
Oak Hill Community Center Expendable	472	1,263	-	-	-	1,735
Oak Hill Community Center Non Expendable	30,000	-	-	-	-	30,000
Emerson Community Center Expendable	6,532	273	-	-	-	6,805
Eliot Memorial Expendable	806	46	-	100	-	752
Eliot Memorial Non Expendable	300	-	-	-	-	300
Trombly House Expendable	647	68	-	-	-	715
Trombly House Non Expendable	1,000	-	-	-	-	1,000
Jackson Homestead Expendable	35,302	2,334	-	3,160	-	34,476
Jackson Homestead Non Expendable	23,250	-	-	-	-	23,250
Newton Commonwealth Expendable	-	-	-	-	-	-
Newton Commonwealth Non Expendable	268,736	431	-	-	-	269,167
Newton Library Common Fund	853,329	266,118	-	354,723	-	764,724
Total Permanent Funds	\$ 1,408,617	\$ 277,652	\$ -	\$ 412,061	\$ -	\$ 1,274,208

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
SEWER FUND
COMPARATIVE BALANCE SHEET - BUDGETARY BASIS
June 30, 2006
(with comparative information for June 30, 2005)

	June 30, 2006	June 30, 2005	\$ Change	% Change
ASSETS				
Cash & temporary investments	\$ 1,989,530	\$ 1,804,545	\$ 184,985	10.3%
User charges receivable	2,684,440	3,276,738	(592,298)	-18.1%
MWPAT loan subsidies receivable	3,197,759	2,919,931	277,828	9.5%
Special assessments receivable	114,462	135,451	(20,989)	-15.5%
Utility liens receivable	172,101	141,281	30,820	21.8%
Advances and prepaid items	2,395	-	2,395	N/A
Total Assets	8,160,687	8,277,946	(117,259)	-1.4%
LIABILITIES & FUND BALANCES:				
Liabilities:				
Warrants payable	120,710	94,808	25,902	27.3%
Accrued expenses	25,852	86,330	(60,478)	-70.1%
Accrued payroll	1,389	1,358	31	2.3%
Revenue refunds payable	82,374	156,797	(74,423)	-47.5%
Security deposits	200,424	239,789	(39,365)	-16.4%
Deferred revenue	3,720,533	4,039,238	(318,705)	-7.9%
Total Liabilities	4,151,282	4,618,320	(467,038)	-10.1%
Fund Balances:				
Fund Balance - Encumbrances and continuing appropriations	216,000	97,752	118,248	121.0%
Fund Balance - Reserved for special revenue purposes	2,448,229	2,434,163	14,066	0.6%
Fund Balance - Payroll & travel advances	2,395	-	2,395	N/A
Fund Balance - Available for appropriation	1,342,781	1,127,711	215,070	19.1%
Total Fund Balances	4,009,405	3,659,626	349,779	9.6%
Total Liabilities & Fund Balances	\$ 8,160,687	\$ 8,277,946	\$ (117,259)	-1.4%

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
SEWER FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Fiscal Year ended June 30, 2006

	Original Budget	Final Budget	Revenues and Expenditures	Encumbrances and Continued appropriations	Closed to Fund Balance	% Budget
REVENUES						
Charges for service	19,001,948	19,001,948	18,739,450	-	(262,498)	-1.38%
Intergovernmental	-	-	-	-	-	0.00%
Total revenues	<u>19,001,948</u>	<u>19,001,948</u>	<u>18,739,450</u>	<u>-</u>	<u>(262,498)</u>	<u>-1.38%</u>
EXPENDITURES						
Public Works	3,704,912	3,704,075	3,129,037	216,000	359,038	9.69%
Debt Maturities & Interest	884,725	884,725	884,722	-	3	0.00%
Retirement benefits	181,880	181,880	181,880	-	-	0.00%
State assessments and charges (MWRA)	14,063,898	14,063,898	13,884,034	-	179,864	1.28%
Total expenditures	<u>18,835,415</u>	<u>18,834,578</u>	<u>18,079,673</u>	<u>216,000</u>	<u>538,905</u>	<u>2.86%</u>
Excess/(deficiency) of revenues over expenditures	<u>166,533</u>	<u>167,370</u>	<u>659,777</u>			
OTHER FINANCING SOURCES (USES)						
Transfers in	545,765	545,765	545,765	-	-	0.00%
Transfers out	(810,050)	(855,763)	(855,763)	-	-	0.00%
Total other financing sources and uses	<u>(264,285)</u>	<u>(309,998)</u>	<u>(309,998)</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Net change in fund balances	<u>(97,752)</u>	<u>(142,628)</u>	<u>349,779</u>			
 Budgetary fund balances - Beginning of fiscal year	 <u>3,659,626</u>	 <u>3,659,626</u>	 <u>3,659,626</u>			
Budgetary fund balance - End of fiscal year	<u>\$ 3,561,874</u>	<u>\$ 3,516,998</u>	<u>\$ 4,009,405</u>			

CITY OF NEWTON, MASSACHUSETTS
SEWER FUND
COMPARATIVE DETAILED REVENUE BUDGET TO ACTUAL SCHEDULE
Fiscal Year ended June 30, 2006

	Fiscal Year 2006					FY 2005	FY 2004	FY 2003	FY 2002	FY 2001
	Original Budget	Revisions	Final Budget	Revenue	% Budget	Revenue	Revenue	Revenue	Revenue	Revenue
Sewer Use Charges	\$ 19,001,948	-	\$ 19,001,948	\$ 18,059,873		17,597,789	\$ 17,042,479	\$ 16,669,111	\$ 17,187,655	16,221,411
Interest & Penalties	-	-	-	70,773		78,070	74,239	93,207	82,437	103,275
Sewer Liens	-	-	-	480,502		385,246	524,718	498,630	391,937	523,838
Maintenance Charges	-	-	-	33,483		42,841	68,661	68,536	75,756	69,537
Special Assessments	-	-	-	24,625		21,057	26,321	55,185	19,021	33,601
Sewer Renewal Charges	-	-	-	54,621		61,019	63,419	119,042	430,436	191,353
Miscellaneous	-	-	-	15,573		17,766	7,377	93,955	66,642	3,400
Sub-Total Revenue	19,001,948	-	19,001,948	18,739,450	98.62%	18,203,788	17,807,214	17,597,666	18,253,884	17,146,415
Transfers from Other Funds	545,765	-	545,765	545,765	100.00%	510,065	464,767	435,022	418,491	308,701
Sewer Surplus	97,752	44,876	142,628	-	0.00%	-	386,032	873,137	-	360,048
TOTAL SEWER FUND	\$ 19,645,465	\$ 44,876	\$ 19,690,341	\$ 19,285,215	97.94%	18,713,853	\$ 18,658,013	\$ 18,905,825	\$ 18,672,375	17,815,164

CITY OF NEWTON, MASSACHUSETTS
SEWER FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS TO OTHER FUNDS - LEGAL LEVEL OF CONTROL
BUDGET TO ACTUAL
Fiscal Year ended June 30, 2006

	Cont. Approp./ Encumbrances	FY 2006 Original Budget	FY 2006 Budget Revisions	FY 2006 Budget As Amended	Total Revised FY 2006 Budget	Expended	Encumbered/ Continued	Closed to Fund Balance	% Unobligated
Sewer Maintenance & Operation									
Personal Services	\$ -	\$ 1,909,089	\$ (837)	\$ 1,908,252	\$ 1,908,252	\$ 1,657,929	\$ -	\$ 250,323	13.1%
Expenses	20,110	746,579	-	746,579	766,689	752,024	11,171	3,494	0.46%
Capital Outlay	77,642	585,333	-	585,333	662,975	449,488	204,829	8,658	1.31%
Fringe Benefits	-	366,159	-	366,159	366,159	269,596	-	96,563	26.37%
Total	97,752	3,607,160	(837)	3,606,323	3,704,075	3,129,037	216,000	359,038	9.69%
MWRA Sewer Assessment									
Intergovernmental	-	14,063,898	-	14,063,898	14,063,898	13,884,034	-	179,864	1.28%
Total	-	14,063,898	-	14,063,898	14,063,898	13,884,034	-	179,864	1.28%
Debt Maturities & Interest	-	884,725	-	884,725	884,725	884,722	-	3	0.00%
Retirement	-	181,880	-	181,880	181,880	181,880	-	-	0.00%
Transfer - Workers Compensation Fund	-	100,000	837	100,837	100,837	100,837	-	-	0.00%
Transfer - Capital Stabilization Fund	-	-	44,876	44,876	44,876	44,876	-	-	0.00%
Transfer - General Fund	-	710,050	-	710,050	710,050	710,050	-	-	0.00%
TOTAL: SEWER FUND	\$ 97,752	\$ 19,547,713	\$ 44,876	\$ 19,592,589	\$ 19,690,341	\$ 18,935,436	\$ 216,000	\$ 538,905	2.74%

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
WATER FUND
COMPARATIVE BALANCE SHEET - BUDGETARY BASIS
June 30, 2006
(with comparative information for June 30, 2005)

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Cash & temporary investments	\$ 4,326,868	\$ 3,564,143	\$ 762,725	21.4%
User charges receivable	1,801,791	1,911,289	(109,498)	-5.7%
Utility liens receivable	111,317	84,733	26,584	31.4%
Total Assets	<u>6,239,976</u>	<u>5,560,165</u>	<u>679,811</u>	<u>12.2%</u>
LIABILITIES & FUND BALANCES:				
Liabilities:				
Warrants payable	81,390	103,908	(22,518)	-21.7%
Accrued expenses	113,096	71,574	41,522	58.0%
Accrued payroll	1,707	423	1,284	303.5%
Revenue refunds payable	23,110	68,772	(45,662)	-66.4%
Security deposits	164,366	122,954	41,412	33.7%
Deferred revenue	462,203	568,616	(106,413)	-18.7%
Total Liabilities	<u>845,872</u>	<u>936,247</u>	<u>(90,375)</u>	<u>-9.7%</u>
Fund Balances:				
Fund Balance - Encumbrances and continued appropriations	1,194,553	749,998	444,555	59.3%
Fund Balance - Reserved for special revenue purposes	1,450,905	1,427,406	23,499	1.6%
Fund Balance - Available for appropriation	2,748,646	2,446,514	302,132	12.3%
Total Fund Balances	<u>5,394,104</u>	<u>4,623,918</u>	<u>770,186</u>	<u>16.7%</u>
Total Liabilities & Fund Balances	<u>\$ 6,239,976</u>	<u>\$ 5,560,165</u>	<u>\$ 679,811</u>	<u>12.2%</u>

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
WATER FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Revenue and Expenditures	Encumbrances and Continuing Appropriations	Closed to Fund Balance	% Budget
REVENUES						
Charges for service	13,638,631	13,638,631	13,571,897	-	(66,734)	-0.49%
Intergovernmental	-	-	2,380	-	2,380	0.00%
Total revenues	<u>13,638,631</u>	<u>13,638,631</u>	<u>13,574,277</u>	<u>-</u>	<u>(64,354)</u>	<u>-0.47%</u>
EXPENDITURES						
Public works	4,069,953	4,054,096	2,557,601	1,194,554	301,941	7.45%
Debt maturities & interest	1,327,885	1,327,885	1,327,885	-	-	0.00%
Retirement benefits	296,641	296,641	290,268	-	6,373	2.15%
State assessments and charges (MWRA)	7,548,019	7,548,019	7,413,972	-	134,047	1.78%
Total expenditures	<u>13,242,498</u>	<u>13,226,641</u>	<u>11,589,726</u>	<u>1,194,554</u>	<u>442,361</u>	<u>3.34%</u>
Excess/(deficiency) of revenues over expenditures	<u>396,133</u>	<u>411,990</u>	<u>1,984,551</u>			
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	0.00%
Transfers out	<u>(1,146,131)</u>	<u>(1,214,365)</u>	<u>(1,214,365)</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total other financing sources and uses	<u>(1,146,131)</u>	<u>(1,214,365)</u>	<u>(1,214,365)</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Net change in fund balances	<u>(749,998)</u>	<u>(802,375)</u>	<u>770,186</u>			
Budgetary fund balances - Beginning of fiscal year	<u>4,623,918</u>	<u>4,623,918</u>	<u>4,623,918</u>			
Budgetary fund balance - End of fiscal year	<u>\$ 3,873,920</u>	<u>\$ 3,821,543</u>	<u>\$ 5,394,104</u>			

CITY OF NEWTON, MASSACHUSETTS
WATER FUND
COMPARATIVE DETAILED REVENUE BUDGET TO ACTUAL SCHEDULE
Fiscal Year ended June 30, 2006

	Fiscal Year 2006					FY 2005	FY 2004	FY 2003	FY 2002	FY 2001
	Original Budget	Revisions	Final Budget	Revenue	% Budget	Revenue	Revenue	Revenue	Revenue	Revenue
Water Use Charges	\$ 13,638,631	\$ -	\$ 13,638,631	\$ 12,829,805		11,996,265	\$ 9,981,088	\$ 9,178,080	\$ 8,806,716	8,771,983
Interest & Penalties	-	-	-	48,088		43,866	59,438	125,518	44,124	77,948
Water Liens	-	-	-	296,309		223,384	260,557	256,210	222,286	270,605
Maintenance Charges	-	-	-	93,279		60,329	79,539	67,095	64,454	74,875
Backflow Prevention Charges	-	-	-	127,527		69,175	132,908	115,663	42,429	55,797
Water Renewal Charges	-	-	-	111,260		150,175	115,182	77,589	460,170	147,895
Intergovernmental	-	-	-	2,380		-	-	-	-	-
Miscellaneous	-	-	-	65,629		106,443	3,237	18,162	46,513	14,417
Sub-Total Revenue	13,638,631	-	13,638,631	13,574,277	99.53%	12,649,637	10,631,949	9,838,317	9,686,692	9,413,520
Transfers from Other Funds	-	-	-	-	0.00%	13,259,143	11,223,372	-	-	
Water Surplus	749,998	52,377	802,375	-	0.00%	250,646	250,646	-	-	
TOTAL - WATER FUND	\$ 14,388,629	\$ 52,377	\$ 14,441,006	\$ 13,574,277	94.00%	26,159,426	\$ 22,105,967	\$ 9,838,317	\$ 9,686,692	9,413,520

CITY OF NEWTON, MASSACHUSETTS
WATER FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS TO OTHER FUNDS - LEGAL LEVEL OF CONTROL
BUDGET TO ACTUAL
Fiscal Year ended June 30, 2006

	Cont. Approp./ Encumbrances	FY 2006 Original Budget	FY 2006 Budget Revisions	FY 2006 Budget As Amended	Total Revised FY 2006 Budget	Expended	Encumbered/ Continued	Closed to Fund Balance	% Unobligated
Water Maintenance & Operation									
Personal Services	\$ -	\$ 1,581,222	\$ (15,857)	\$ 1,565,365	\$ 1,565,365	\$ 1,327,269	\$ -	\$ 238,096	15.2%
Expenses	155,523	582,220	-	582,220	737,743	524,967	172,295	40,481	5.49%
Capital Outlay	594,475	910,000	-	910,000	1,504,475	478,475	1,022,259	3,741	0.25%
Fringe Benefits	-	246,513	-	246,513	246,513	226,890	-	19,623	7.96%
Total	749,998	3,319,955	(15,857)	3,304,098	4,054,096	2,557,601	1,194,554	301,941	7.45%
Debt Maturities & Interest	-	1,327,885	-	1,327,885	1,327,885	1,327,885	-	-	0.00%
Retirement	-	296,641	-	296,641	296,641	290,268	-	6,373	2.15%
MWRA/DEP Assessments & Charges	-	7,548,019	-	7,548,019	7,548,019	7,413,972	-	134,047	1.78%
Transfer - Capital Project Fund	-	-	44,877	44,877	44,877	44,877	-	-	0.00%
Transfer - Sewer Fund	-	545,765	-	545,765	545,765	545,765	-	-	0.00%
Transfer - General Fund	-	473,366	7,500	480,866	480,866	480,866	-	-	0.00%
Transfer - Workers Compensation Fund	-	127,000	15,857	142,857	142,857	142,857	-	-	0.00%
TOTAL: WATER FUND	\$ 749,998	\$ 13,638,631	\$ 52,377	\$ 13,691,008	\$ 14,441,006	\$ 12,804,091	\$ 1,194,554	\$ 442,361	3.06%

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
GIFT FUND
SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Transferred From Other Funds	Expenditures	Transferred to Other Funds	Ending Balance
CITY CLERK'S OFFICE:						
Archivist Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
MAYOR'S OFFICE:						
Millenium Park Development	30,955	-	-	9,123	-	21,832
PERSONNEL DEPARTMENT:						
Employee Memorial Fountain	9,201	641	-	3,725	-	6,117
Total Personnel Department	9,201	641	-	3,725	-	6,117
PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT:						
Newton Conservators Gifts	2,000	-	-	-	-	2,000
Chestnut Hill Historical District Gifts	11,944	515	-	-	-	12,459
Avalon Bay Needham Street Improvements	140,857	-	-	-	-	140,857
Friends of Hammond Pond Gifts	12,340	-	-	-	-	12,340
Friends of Houghton Gardens Gifts	757	-	-	-	-	757
Total Planning & Community Development Department	167,898	515	-	-	-	168,413
POLICE DEPARTMENT:						
Child Safety Seats	95	-	-	-	-	95
Newton Rotary Gifts	655	-	-	-	-	655
Cops & Kids Program Gifts	13	1,260	-	207	-	1,066
Total Police Department	763	1,260	-	207	-	1,816
FIRE DEPARTMENT:						
Newton Wellesley Hospital MDU Trailer Gift	3,500	2,500	-	29	-	5,971
SCHOOL DEPARTMENT:						
Freeman Foundation Chinese Program	393,446	340,180	-	249,489	-	484,137
Legal Seafood Internship Program	156	41,375	-	41,531	-	-
Project Perform	438	-	-	-	-	438
NNHS Drug & Alcohol Program Donations	4	-	-	4	-	-
CASIT Italian Language Program Gifts	-	8,960	-	8,752	-	208
Newton School Foundation Gifts	-	1,120	-	1,120	-	-
Newton Teachers Association Reimbursements	-	45,020	-	45,020	-	-
Greek Studies Program Gifts	13,001	8,500	-	1,750	-	19,751
S.S. Niarchos Foundation Greek Studies Gift	35,139	68,000	-	35,295	-	67,844
Boston University/Newton Cluster Donations	598	7,200	-	6,616	-	1,182
Edco Telecommunications Donations	2,628	900	-	3,506	-	22

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
GIFT FUND
SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Transferred From Other Funds	Expenditures	Transferred to Other Funds	Ending Balance
Teachers In Industry Program	5	-	-	5	-	-
North High School Playground Gifts	300	-	-	-	-	300
Eastern Enterprise Literacy Program	13	-	-	13	-	-
M. Springer Elementary Gift Program	1,000	-	-	1,000	-	-
Stone Bilingual/ESL NNHS Program	5,067	-	-	758	-	4,309
One on One Project	-	525	-	525	-	-
Starbucks Opportunity Grant	42	-	-	42	-	-
Buzby Underwood Gift	1,485	-	-	-	-	1,485
Rowe Family Gift	1,329	-	-	645	-	684
Primary Source Reference	258	-	-	200	-	58
National Philanthropic Trust	642	-	-	537	-	105
Gates Foundation Gifts	28	-	-	28	-	-
Elementary Education SPED Gifts	3,650	-	-	3,548	-	102
Back to School Program	1,805	500	-	2,278	-	27
Day Middle School Gifts	5,007	216	-	-	-	5,223
Engineering in Technology Gifts	4,221	-	-	399	-	3,822
Williams School Gifts	85	-	-	-	-	85
Newton-Wellesley Hospital Defib. Gift	31	-	-	31	-	-
SILC Support Grant Match	15,938	8,783	-	14,777	-	9,944
Ed Center - Supt. Gifts	3,226	225	300	50	-	3,701
Debbie Ellis Gifts	950	1,500	-	1,000	-	1,450
Best Buy Children's Foundation Gifts	60	-	-	60	-	-
Massachusetts Service Alliance Gifts	2,403	1,757	-	4,160	-	-
Mason Rice School Gifts	500	-	-	-	-	500
Toyota Tapestry Gifts	4	-	-	4	-	-
Carol Daynard Professional Development Gifts	2,400	-	-	2,362	-	38
Patriot Incentive Award	4,324	-	-	1,265	-	3,059
Gant Family Foundation Awards	2,400	-	-	2,015	-	385
Irwin Blumer Book Awards	1,778	-	-	111	-	1,667
Goldman Sachs Foundation Gifts	-	25,000	-	-	-	25,000
New England Food and Dairy Gifts	-	12,985	-	-	-	12,985
ING Award Program	-	2,000	-	661	-	1,339
Total School Department	504,661	574,746	-	429,557	-	649,850
PUBLIC WORKS DEPARTMENT:						
Recycling Program Donations	7,830	-	-	-	-	7,830
Total Public Works Department	7,830	-	-	-	-	7,830

CITY OF NEWTON, MASSACHUSETTS
SPECIAL REVENUE FUNDS
GIFT FUND
SUMMARY OF OPERATING ACTIVITY - BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Beginning Balance	Revenue	Transferred From Other Funds	Expenditures	Transferred to Other Funds	Ending Balance
HEALTH & HUMAN SERVICES DEPARTMENT:						
Consumer Program Donations	2,654	1,500	-	378	-	3,776
Newton 2000 Volunteer Services Gifts	24,340	11,936		11,215	-	25,061
Harvard Public Health Program Gifts	128	-	-	-	-	128
Youth Outreach Program Donations - Human Services	3,152	-	-	-	-	3,152
United Way Youth Commission Gifts	100	-		-		100
J. Dietz Senior Donations	868	-	-	-	-	868
Homeless Shelter Donations - Human Services	147	-	-	-	-	147
Holiday Food Donations	11,006	13,470	-	18,500	-	5,976
Charles River Medical Society Donations	1,462	-	-	762	-	700
Total Health & Human Services Department	43,857	26,906	-	30,855	-	39,908
VETERANS SERVICES DEPARTMENT:						
Veteran Celebration Donations	58	-	-	-	-	58
PARKS & RECREATION DEPARTMENT:						
Recreation Field Maintenance Donations	45,228	47,995	-	62,747	-	30,476
Millenium Park Maintenance	-	29,790	-	2,500	-	27,290
Total Parks Department	45,228	77,785	-	65,247	-	57,766
TOTAL GIFT FUND	\$ 813,951	\$ 684,353	\$ -	\$ 538,743	\$ -	\$ 959,561

CAPITAL PROJECT FUNDS

COMBINING LEVEL FINANCIAL STATEMENTS
and
SUPPORTING SCHEDULES

Description of Capital Project Funds

School Building Improvement Fund

This fund is used to account for the acquisition, construction, reconstruction, and/or major renovation of public school buildings for which the City has not established a separate capital project fund. Financing is generally derived from the issuance of bonds or notes. Board of Aldermen appropriations are for the term of the project. The Public Building Commissioner is responsible for all projects accounted for in this fund. A separate sub-fund is maintained within the fund for each major capital project.

High School Improvement Fund

This fund is used to account for major improvements that are currently being made to the City's two high schools. Separate fund balances are maintained for each of the two high school renovation projects.

Municipal Building Improvement Fund

This fund is used to account for the acquisition, construction, reconstruction, and/or major renovation of non-educational buildings for which the City has not established a separate capital project fund. Financing is generally derived from the issuance of bonds or notes. Board of Aldermen appropriations are for the term of the project. The Public Building Commissioner is responsible for all projects accounted for in this fund. At June 30, 2006, the only project underway in this fund was a fire station renovation initiative.

Highway Improvement Fund

This fund is used to account for the revenues and expenditures of the Commonwealth of Massachusetts Chapter 90 highway construction grant funds. Grant budgets are recorded based upon annual grant awards from the Commonwealth, Board of Aldermen authorization of annual spending authority, and approval of specific construction projects by the Massachusetts Highway Department. Chapter 90 highway construction grants are paid to the City on a reimbursement basis. The City finances grant expenditures internally until reimbursements are received from the Commonwealth. Grant revenue is recognized when approved expenditures are incurred and submitted to the Commonwealth for reimbursement. Effective July 1, 2005, this fund was reclassified to the Capital Project Funds from the Special Revenue Funds. A separate sub fund is maintained within the fund for each annual Chapter 90 grant agreement and individual project cost centers are maintained with each sub-fund for approved Chapter 90 projects.

Street and Sidewalk Improvement Fund

This fund is used to account for major public works street and sidewalk improvement projects financed from the issuance of debt.

Municipal Equipment Replacement Fund

This fund is used to account for the acquisition of public safety and public works motor equipment, financed with the issuance of debt.

Water System Improvement Fund

This fund is used to account for capital improvements to the City's water distribution system. Funding is from a combination of local revenue appropriations and loans from the Massachusetts Water Resources Authority (MWRA).

Sanitary Sewer System Improvement Fund

This fund is used to account for capital improvements to the City's sanitary sewer collection system. Funding is primarily from loans and grants from the Massachusetts Water Resources Authority (MWRA) and the Massachusetts Water Pollution Abatement Trust (MWPAT).

Capital Stabilization Fund

The Capital Stabilization Fund is used to accumulate resources for future capital project financing. No expenditures are made directly from the fund. Funds are instead appropriated and transferred to another capital project fund or to the general fund for capital improvements and/or maintenance. Completed capital improvement and maintenance budget balances are closed out to this fund along with certain state and federal grants for capital purposes that have been funded originally with local resources. Separate fund balances are maintained within the fund for: future year high school renovation project financing; future year water and sewer project financing; future year general purpose capital project financing; and future year bonded capital project financing.

CITY OF NEWTON, MASSACHUSETTS
CAPITAL PROJECT FUNDS
COMBINING LEVEL BALANCE SHEET
June 30, 2006

	School Building Improvement Fund	High School Improvement Fund	Municipal Building Improvement Fund	CH 90 Highway Improvement Fund	Street/Sidewalk Improvement Fund	Municipal Equipment Replacement Fund
ASSETS						
Cash & temporary investments	\$ 825,055	\$ 3,493,666	-	-	-	1,523,397
State and federal grants receivable	-	8,707,753	-	210,041	-	-
Total Assets	<u>825,055</u>	<u>12,201,419</u>	<u>-</u>	<u>210,041</u>	<u>-</u>	<u>1,523,397</u>
LIABILITIES & FUND BALANCES						
Warrants payable	278,071	76,739	250	18,500	-	-
Accrued expenses	26,020	1,896,238	-	36,630	-	-
Accrued payroll	-	-	-	-	-	-
Bond anticipation notes payable	-	12,060,000	-	-	-	-
Due to other funds	-	-	9,951	22,453	-	-
Deferred revenue	-	8,707,753	-	-	-	-
Total Liabilities	<u>304,091</u>	<u>22,740,730</u>	<u>10,201</u>	<u>77,583</u>	<u>-</u>	<u>-</u>
Fund Balance - Reserved for Future Capital Appropriations	-	-	-	-	-	-
Fund Balance - Reserved for Future Bonded Appropriations	-	-	-	-	-	-
Fund Balance - Reserved for High School Improvements	-	(10,539,311)	-	-	-	-
Fund Balance - Current Capital Projects	<u>520,964</u>	<u>-</u>	<u>(10,201)</u>	<u>132,458</u>	<u>-</u>	<u>1,523,397</u>
Total Fund Balances	<u>520,964</u>	<u>(10,539,311)</u>	<u>(10,201)</u>	<u>132,458</u>	<u>-</u>	<u>1,523,397</u>
Total Liabilities & Fund Balances	\$ <u>825,055</u>	\$ <u>12,201,419</u>	<u>-</u>	<u>210,041</u>	<u>-</u>	<u>1,523,397</u>

CITY OF NEWTON, MASSACHUSETTS
CAPITAL PROJECT FUNDS
COMBINING LEVEL BALANCE SHEET
June 30, 2006

	Water System Improvement Fund	Sewer System Improvement Fund	Capital Stabilization Fund	Total
ASSETS				
Cash & temporary investments	8,026,932	\$ 320,635	\$ 9,822,842	\$ 24,012,527
State and federal grants receivable	-	-	-	8,917,794
Total Assets	<u>8,026,932</u>	<u>320,635</u>	<u>9,822,842</u>	<u>32,930,321</u>
LIABILITIES & FUND BALANCES				
Warrants payable	2,556	7,356	-	383,472
Accrued expenses	158,865	3,737	-	2,121,490
Accrued payroll	73	-	-	73
Bond anticipation notes payable	-	-	-	12,060,000
Due to other funds	-	-	-	32,404
Deferred revenue	-	-	-	8,707,753
Total Liabilities	<u>161,494</u>	<u>11,093</u>	<u>-</u>	<u>23,305,192</u>
Fund Balance - Reserved for Future Capital Appropriations	-	-	390,696	390,696
Fund Balance - Reserved for Future Bonded Appropriations	-	-	-	-
Fund Balance - Reserved for High School Improvements	-	-	9,432,146	(1,107,165)
Fund Balance - Current Capital Projects	<u>7,865,438</u>	<u>309,542</u>	<u>-</u>	<u>10,341,598</u>
Total Fund Balances	<u>7,865,438</u>	<u>309,542</u>	<u>9,822,842</u>	<u>9,625,129</u>
Total Liabilities & Fund Balances	<u>8,026,932</u>	<u>\$ 320,635</u>	<u>\$ 9,822,842</u>	<u>\$ 32,930,321</u>

CITY OF NEWTON, MASSACHUSETTS
CAPITAL PROJECT FUNDS
COMBINING LEVEL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Fiscal Year ended June 30, 2006

	School Building Improvement Fund	High School Improvement Fund	Municipal Building Improvement Fund	CH 90 Highway Improvement Fund	Street/Sidewalk Improvement Fund
REVENUES:					
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -
Departmental & other	-	-	-	-	-
Intergovernmental	-	-	-	524,491	-
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>524,491</u>	<u>-</u>
EXPENDITURES:					
Education	811,110	3,549,575	-	-	-
Public safety	-	-	10,201	-	-
Public works	-	-	-	524,491	335,347
Total Expenditures	<u>811,110</u>	<u>3,549,575</u>	<u>10,201</u>	<u>524,491</u>	<u>335,347</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>(811,110)</u>	<u>(3,549,575)</u>	<u>(10,201)</u>	<u>-</u>	<u>(335,347)</u>
Transfers from Other Funds	-	-	-	132,458	-
Transfers to Other Funds	-	-	-	-	-
Excess/(Deficiency) of Revenues & Transfers over Expenditures & Transfers	<u>(811,110)</u>	<u>(3,549,575)</u>	<u>(10,201)</u>	<u>132,458</u>	<u>(335,347)</u>
Other Financing Sources (Bond Proceeds)	1,314,000	10,260,000	-	-	524,000
Other Financing Uses	-	-	-	-	-
Excess/(Deficiency) of Revenues, Transfers & Other Sources over Expenditures, Transfers & Other Uses	<u>502,890</u>	<u>6,710,425</u>	<u>(10,201)</u>	<u>132,458</u>	<u>188,653</u>
Fund Balance - beginning of fiscal year	<u>18,074</u>	<u>(17,249,736)</u>	<u>-</u>	<u>-</u>	<u>(188,653)</u>
Fund Balance - end of fiscal year	<u>\$ 520,964</u>	<u>\$ (10,539,311)</u>	<u>\$ (10,201)</u>	<u>\$ 132,458</u>	<u>\$ -</u>

CITY OF NEWTON, MASSACHUSETTS
CAPITAL PROJECT FUNDS
COMBINING LEVEL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Fiscal Year ended June 30, 2006

	Municipal Equipment Replacement Fund	Water System Improvement Fund	Sewer System Improvement Fund	Capital Stabilization Fund	Total
REVENUES:					
Investment income	\$ -	\$ 277,095	\$ 8,935	\$ -	\$ 286,030
Departmental & other	-	-	-	-	-
Intergovernmental	-	-	42,975	-	567,466
Total Revenue	<u>-</u>	<u>277,095</u>	<u>51,910</u>	<u>-</u>	<u>853,496</u>
EXPENDITURES:					
Education	-	-	-	-	4,360,685
Public safety	-	-	-	-	10,201
Public works	213,603	2,471,160	194,308	-	3,738,909
Total Expenditures	<u>213,603</u>	<u>2,471,160</u>	<u>194,308</u>	<u>-</u>	<u>8,109,795</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>(213,603)</u>	<u>(2,194,065)</u>	<u>(142,398)</u>	<u>-</u>	<u>(7,256,299)</u>
Transfers from Other Funds	-	-	2,541	2,391,137	2,526,136
Transfers to Other Funds	-	-	-	(649,997)	(649,997)
Excess/(Deficiency) of Revenues & Transfers over Expenditures & Transfers	<u>(213,603)</u>	<u>(2,194,065)</u>	<u>(139,857)</u>	<u>1,741,140</u>	<u>(5,380,160)</u>
Other Financing Sources (Bond Proceeds)	1,737,000	2,586,019	52,525	-	16,473,544
Other Financing Uses		-	-	-	-
Excess/(Deficiency) of Revenues, Transfers & Other Sources over Expenditures, Transfers & Other Uses	<u>1,523,397</u>	<u>391,954</u>	<u>(87,332)</u>	<u>1,741,140</u>	<u>11,093,384</u>
Fund Balance - beginning of fiscal year	<u>-</u>	<u>7,473,484</u>	<u>396,874</u>	<u>8,081,702</u>	<u>(1,468,255)</u>
Fund Balance - end of fiscal year	<u>\$ 1,523,397</u>	<u>\$ 7,865,438</u>	<u>\$ 309,542</u>	<u>\$ 9,822,842</u>	<u>\$ 9,625,129</u>

CITY OF NEWTON, MASSACHUSETTS
CAPITAL PROJECT FUNDS
SUMMARY OF OPERATING ACTIVITY
Fiscal Year ended June 30, 2006

	Beginning Balance	FY 2006 Appropriations	Transfers	Expended	Encumbered	Unobligated Balance
School Building Improvement Fund:						
Peirce Elementary Window & Door Replacement	\$ 560,000	\$ -	\$ -	\$ 251,000	\$ 190,100	\$ 118,900
Countryside Roof Repairs	149,000	-	-	122,204	-	26,796
Peirce Elementary School Repairs	-	100,000	-	-	-	100,000
Ward Elementary School Repairs	-	100,000	-	27,000	73,000	-
Elementary School Boiler Replacement	423,074	-	-	410,906	12,000	168
Total School Building Improvement Fund	1,132,074	200,000	-	811,110	275,100	245,864
High School Improvement Fund:						
Newton South High School Renovations	1,172,962	209,880	502,652	1,811,844	22,852	50,798
Newton North High School Renovations	40,644,569	-	(37,012,047)	1,737,731	-	1,894,791
Total High School Renovation Fund	41,817,531	209,880	(36,509,395)	3,549,575	22,852	1,945,589
Municipal Building Improvement Fund:						
Fire Station Improvements	-	150,000	-	10,201	-	139,799
Total Municipal Building Improvement Fund	-	150,000	-	10,201	-	139,799
CH 90 Highway Improvement Fund:						
MA 37748	32,754	-	-	3,200	29,554	-
MA 38105	7,536	-	-	-	-	7,536
MA 38506	23,070	-	-	-	23,070	-
MA 385060	350,660	-	-	63,689	55,536	231,435
MA 235200	186,807	-	-	-	14,173	172,634
MA 253C207	59,590	-	-	-	-	59,590
MA 3246207	271,357	-	-	89,131	163,845	18,381
MA 4246210	524,001	-	-	342,081	44,956	136,964
MA 450135509	1,373,328	-	-	26,390	218,008	1,128,930
MA 0044606	1,368,364	-	-	-	-	1,368,364
Total CH 90 Highway Improvement Fund	4,197,467	-	-	524,491	549,142	3,123,834

CITY OF NEWTON, MASSACHUSETTS
CAPITAL PROJECT FUNDS
SUMMARY OF OPERATING ACTIVITY
Fiscal Year ended June 30, 2006

	Beginning Balance	FY 2006 Appropriations	Transfers	Expended	Encumbered	Unobligated Balance
Street & Sidewalk Improvement Fund:						
Street Betterment Project - 2005	461,347	(126,000)	-	335,347	-	-
Total Street & Sidewalk Improvement Fund	461,347	(126,000)	-	335,347	-	-
Municipal Equipment Replacement Fund:						
Public Works Equipment Replacement - 2006	-	887,000	-	213,603	650,269	23,128
Fire Equipment Replacement - 2006	-	850,000	-	-	-	850,000
Total Municipal Equipment Replacement Fund	-	1,737,000	-	213,603	650,269	873,128
Water System Improvement Fund:						
MWRA - Water System - Accumulated Interest Income	346,611	277,095	-	-	-	623,706
MWRA - Water System Improvements - Loan of 2002	146,358	-	-	146,358	-	-
MWRA - Water System Improvements - Loan of 2003	1,532,191	-	-	1,224,188	308,003	-
MWRA - Water System Improvements - Loan of 2004	2,586,019	-	-	665,730	1,236,256	684,033
MWRA - Water System Improvements - Loan of 2005	2,586,019	-	-	434,403	2,142,766	8,850
MWRA - Water System Improvements - Loan of 2006	-	2,586,019	-	481	-	2,585,538
Waban Hill Reservoir Improvements - 2001/2003	276,287	-	-	-	-	276,287
Total Water System Improvement Fund	7,473,485	2,863,114	-	2,471,160	3,687,025	4,178,414
Sanitary Sewer Improvement Fund:						
Sewer System Improvements - 1997 (City of Newton)	30,078	-	-	22,114	-	7,964
Lexington Street Sewer Extension - 2002 (City of Newton)	130,229	-	(130,229)	-	-	-
Sewer Emergency Repairs (City of Newton)	-	-	132,770	89,699	8,377	34,694
Mass Water Pollution Abatement Trust (MWPAT) - Infiltration/Inflow	76,426	-	-	74,664	1,644	118
MWRA - Sewer I&I - Accumulated Interest Income	27,597	8,935	-	-	-	36,532
MWRA - Infiltration/Inflow Program - 1995	9,303	-	-	-	-	9,303
MWRA - Infiltration/Inflow Program - 1997	14,758	-	-	-	-	14,758
MWRA - Infiltration/Inflow - 2000	5,268	-	-	-	-	5,268
MWRA - Infiltration/Inflow - 2002	20,669	-	-	2,643	11,426	6,600
MWRA - Infiltration/Inflow - 2003	82,544	-	-	-	-	82,544

CITY OF NEWTON, MASSACHUSETTS
CAPITAL PROJECT FUNDS
SUMMARY OF OPERATING ACTIVITY
Fiscal Year ended June 30, 2006

	Beginning Balance	FY 2006 Appropriations	Transfers	Expended	Encumbered	Unobligated Balance
MWRA - Infiltration/Inflow - 2006	-	95,500	-	5,188	34,812	55,500
Total Sanitary Sewer Improvement Fund	396,872	104,435	2,541	194,308	56,259	253,281
Capital Stabilization Fund:						
Reserved for Ordinary Capital Appropriations	234,423	-	51,273	-	-	285,696
Reserved for Forte Park Development	-	-	-	-	-	-
Reserved for High School Renovations	7,832,032	-	1,600,114	-	-	9,432,146
Reserved for Water/Sewer Appropriations	15,247	-	89,753	-	-	105,000
Reserved for MGL CH 44 Sec 7& 8 Appropriations	-	-	-	-	-	-
Total Capital Stabilization Fund	8,081,702	-	1,741,140	-	-	9,822,842
TOTAL CAPITAL PROJECT FUNDS	\$ 63,560,478	\$ 5,138,429	\$ (34,765,714)	\$ 8,109,795	\$ 5,240,647	\$ 20,582,751

INTERNAL SERVICE FUNDS

COMBINING LEVEL FINANCIAL STATEMENTS
and
SUPPORTING SCHEDULES

Description of Internal Service Funds

Group Health Self- Insurance:

This fund is used to account for group health benefits for active and retired employees of the City. The City funds 80% of group health benefits and employees and retirees contribute 20% of the cost through payroll deductions. The City also purchases stop loss insurance with an aggregate retention of \$250,000 and individual claims in excess of \$200,000 per year, which are incurred during the fiscal year and paid within eighteen months of the year end. The City maintains separate sub-funds for plans administered by Tufts Associated Health and Harvard-Pilgrim Health.

Workers Compensation Self -Insurance Fund

This fund is used to account for workers compensation benefits, both replacement wages and medical benefits for qualified employees. The fund is also used to account for the cost of providing medical benefits to public safety employees who are injured in the line of duty. Replacement wages for public safety employees are accounted for in the General Fund operating budgets of the police and fire departments.

Liability Self-Insurance Fund

This fund is used to accumulate resources to pay liability claims in excess of \$50,000. Liability claims of \$15,000 or more are financed from a judgment and settlement appropriation in the City's Solicitor's General Fund annual appropriation. Claims greater than \$5,000, but less than \$50,000 are financed with a transfer from the Reserve Fund annual appropriation in the General Fund.

Municipal Building Insurance Fund

This fund is used to generate annual income, which is used to finance the City's annual property insurance premiums. Funds are transferred to the General Fund, based upon an annual authorization vote of the Board of Aldermen.

CITY OF NEWTON, MASSACHUSETTS
INTERNAL SERVICE FUNDS
COMBINING LEVEL BALANCE SHEET
June 30, 2006

	Group Health Self Insured Fund	Workers Comp. Self Insurance Fund	Municipal Liability Self Insurance Fund	Municipal Building Insurance Fund	Total
ASSETS:					
Cash & temporary investments	\$ 9,269,294	\$ 411,169	\$ 205,222	\$ 277,667	\$ 10,163,352
Investments	-	6,186,949	-	1,621,147	7,808,096
Health insurance claims deposits	347,717	-	-	-	347,717
Other accounts receivable	14,374	-	-	-	14,374
Total Assets	<u>9,631,385</u>	<u>6,598,118</u>	<u>205,222</u>	<u>1,898,814</u>	<u>18,333,539</u>
LIABILITIES & FUND BALANCES:					
Warrants payable	-	23,480	-	-	23,480
Accrued expenses	52,850	102,422	-	-	155,272
Accrued payroll	-	65,000	-	-	65,000
Accrued self insurance claims payable	<u>5,962,404</u>	<u>5,862,173</u>	<u>-</u>	<u>-</u>	<u>11,824,577</u>
Total Liabilities	6,015,254	6,053,075	-	-	12,068,329
 Fund Balance - Group Health Claims -Tufts Health Plan	3,565,283	-	-	-	3,565,283
Fund Balance - Group Health Claims - Harvard Health Plan	50,848	-	-	-	50,848
Fund Balance - Public Safety IOD Medical Claims	-	4,641	-	-	4,641
Fund Balance - Workers Compensation Claims	-	540,402	-	-	540,402
Fund Balance - General Liability Claims	-	-	205,222	-	205,222
Fund Balance - Following Year Budget	-	-	-	277,582	277,582
Fund Balance - Future Year Property Insurance Premiums	-	-	-	1,621,232	1,621,232
Fund Balance - Unrealized Investment Gains	-	-	-	-	-
Total Fund Balances	<u>3,616,131</u>	<u>545,043</u>	<u>205,222</u>	<u>1,898,814</u>	<u>6,265,210</u>
 Total Liabilities & Fund Balances	\$ <u>9,631,385</u>	\$ <u>6,598,118</u>	\$ <u>205,222</u>	\$ <u>1,898,814</u>	\$ <u>18,333,539</u>

CITY OF NEWTON, MASSACHUSETTS
INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Fiscal Year ended June 30, 2006

	Group Health Self Insurance Fund	Workers Comp. Self Insurance Fund	{1}	Municipal Liability Self Insurnace Fund	Municipal Building Insurance Fund	Total
REVENUES:						
Charges for Service	\$ 37,118,993	\$ -	\$	-	\$ -	\$ 37,118,993
Departmental & Other	120,000	10,230		-	-	130,230
Investment Income	366,749	342,039		8,486	29,850	747,124
Intergovernmental Revenue	-	-		-	-	-
Total Revenue	<u>37,605,742</u>	<u>352,269</u>		<u>8,486</u>	<u>29,850</u>	<u>37,996,347</u>
EXPENDITURES:						
Employee Benefits	<u>38,367,638</u>	<u>1,920,618</u>		<u>-</u>	<u>-</u>	<u>40,288,256</u>
Total Expenditures	<u>38,367,638</u>	<u>1,920,618</u>		<u>-</u>	<u>-</u>	<u>40,288,256</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>(761,896)</u>	<u>(1,568,349)</u>		<u>8,486</u>	<u>29,850</u>	<u>(2,291,909)</u>
Transfers from Other Funds	-	1,595,046		-	-	1,595,046
Transfers to Other Funds	-	-		-	(277,582)	(277,582)
Excess/(Deficiency) of Revenues & Transfers over Expenditures & Transfers	<u>(761,896)</u>	<u>26,697</u>		<u>8,486</u>	<u>(247,732)</u>	<u>(974,445)</u>
Other Financing Sources	-	-		-	-	-
Other Financing Uses	-	-		-	-	-
Excess/(Deficiency) of Revenues, Transfers & Other Sources over Expenditures, Transfers & Other Uses	<u>(761,896)</u>	<u>26,697</u>		<u>8,486</u>	<u>(247,732)</u>	<u>(974,445)</u>
July 1, 2005 Beginning Fund Balance:	<u>4,378,027</u>	<u>518,346</u>		<u>196,736</u>	<u>2,146,546</u>	<u>7,239,655</u>
June 30, 2006 Ending Fund Balance:	<u>\$ 3,616,131</u>	<u>\$ 545,043</u>	<u>\$ 205,222</u>	<u>\$ 1,898,814</u>	<u>\$ 6,265,210</u>	

{1} includes \$28,230 increase in 6/30/05 actuarial liability reported after issuance of budgetary basis financial statements.

CITY OF NEWTON, MASSACHUSETTS
INTERNAL SERVICE FUNDS
GROUP HEALTH SELF INSURANCE FUND
TUFTS HEALTH PLAN
SUMMARY OF CURRENT YEAR ACTIVITY
Fiscal Year ended June 30, 2006
(with comparative information for five previous fiscal years)

	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003	Fiscal Year 2002	Fiscal Year 2001
Fund Balance - beginning of fiscal year	\$ 2,704,507	\$ 1,537,657	\$ 2,925	\$ 259,915	\$ 1,433,047	\$ 513,900
Revenue:						
Investment income	303,431	154,389	37,885	52,540	95,068	192,501
Employee contributions	5,905,829	5,589,532	5,410,955	4,821,838	3,804,897	3,812,089
Employer contributions	23,018,462	21,823,845	20,701,592	18,459,435	14,569,546	14,805,968
Insurance recoveries	120,000	106,591	1,085,850	751,427	-	-
Total Revenue	<u>29,347,722</u>	<u>27,674,357</u>	<u>27,236,282</u>	<u>24,085,240</u>	<u>18,469,511</u>	<u>18,810,558</u>
Expenditures:						
Administrative services	1,549,687	1,372,064	1,412,323	1,238,416	1,148,059	1,023,259
Stop loss insurance premiums	254,703	216,370	316,973	187,865	153,129	114,321
Health claims (paid claims)	26,320,272	20,804,645	20,090,326	19,267,927	15,721,247	13,708,585
Health claims - Change in IBNR estimate	362,284	4,114,428	3,881,928	3,648,022	2,620,208	3,045,247
Total Expenditures	<u>28,486,946</u>	<u>26,507,507</u>	<u>25,701,550</u>	<u>24,342,230</u>	<u>19,642,643</u>	<u>17,891,412</u>
Fund Balance - end of fiscal year	\$ <u>3,565,283</u>	\$ <u>2,704,507</u>	\$ <u>1,537,657</u>	\$ <u>2,925</u>	\$ <u>259,915</u>	\$ <u>1,433,046</u>

CITY OF NEWTON, MASSACHUSETTS
INTERNAL SERVICE FUNDS
GROUP HEALTH SELF-INSURANCE FUND
HARVARD-PILGRIM HEALTH PLAN
SUMMARY OF CURRENT YEAR ACTIVITY
Fiscal Year ended June 30, 2006
(with comparative information for the five previous fiscal years)

	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003	Fiscal Year 2002	Fiscal Year 2001
July 1 Beginning Fund Balance:	\$ 1,673,520	\$ 1,383,967	\$ 530,138	\$ 510,218	\$ 744,948	\$ -
Revenue:						
Investment income	63,318	29,779	18,335	12,274	20,190	32,158
Employee contributions	1,754,889	1,673,612	1,358,032	1,184,214	1,033,229	981,208
Employer contributions	6,439,813	6,253,065	5,060,262	4,484,495	3,933,501	3,783,941
Other miscellaneous. revenue	-	-	-	51,909	-	-
Total Revenue	<u>8,258,020</u>	<u>7,956,456</u>	<u>6,436,629</u>	<u>5,732,892</u>	<u>4,986,920</u>	<u>4,797,307</u>
Expenditures:						
Administrative services	665,539	595,918	552,087	440,263	410,470	424,341
Stop loss insurance premiums	113,187	90,020	126,786	75,209	61,668	53,209
Health claims (paid claims)	8,734,152	5,863,087	4,059,748	4,192,174	4,071,010	3,335,740
Health claims - change in IBNR estimate	367,814	1,117,878	844,179	1,005,326	678,502	239,069
Total Expenditures	<u>9,880,692</u>	<u>7,666,903</u>	<u>5,582,800</u>	<u>5,712,972</u>	<u>5,221,650</u>	<u>4,052,359</u>
June 30 Ending Fund Balance:	\$ <u>50,848</u>	\$ <u>1,673,520</u>	\$ <u>1,383,967</u>	\$ <u>530,138</u>	\$ <u>510,218</u>	\$ <u>744,948</u>

CITY OF NEWTON, MASSACHUSETTS
WORKERS COMPENSATION SELF-INSURANCE FUND
SCHEDULE OF OPERATING ACTIVITY
Fiscal Year ended June 30, 2006
(with comparative information for five previous fiscal years)

	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003	Fiscal Year 2002	Fiscal Year 2005
Fund Balance - beginning of fiscal year	\$ 518,346	\$ 256,966	\$ (1,199,897)	\$ (781,504)	\$ (1,087,476)	(779,784)
Revenues & transfers from other funds:						
Legal recoveries	10,230	-	-	-	-	-
Investment income	342,039	281,803	457,563	207,741	46,772	126,360
Intergovernmental revenue	-	-	-	-	-	155,713
Other miscellaneous revenue	-	900	2,288	31,391	5,398	708
Total Revenue	<u>352,269</u>	<u>282,703</u>	<u>459,851</u>	<u>239,132</u>	<u>52,170</u>	<u>282,781</u>
Transfer from General Fund-School Committee	350,000	350,000	350,000	380,000	388,000	350,000
Transfer from General Fund-Municipal	901,352	822,870	1,035,046	822,870	858,870	866,000
Transfer from General Fund - Public Safety Medical	100,000	150,000	-	-	-	-
Transfer from State Sewer Rate Relief Grant Fund	-	-	1,268	-	14,490	-
Transfer from Sewer Fund	100,837	100,000	117,446	97,406	85,520	110,000
Transfer from Water Fund	142,857	127,000	127,000	127,000	127,000	112,000
Total Transfers from Other Funds	<u>1,595,046</u>	<u>1,549,870</u>	<u>1,630,760</u>	<u>1,427,276</u>	<u>1,473,880</u>	<u>1,438,000</u>
Expenditures						
General Fund - School Employees	269,033	283,777	329,251	403,492	412,051	295,414
General Fund - Municipal Employees	1,174,807	909,268	994,785	773,915	830,970	906,904
General Fund - Public Safety Employees (Medical)	146,859	141,129	102,775	162,647	157,995	151,638
Sewer Fund Employees	107,431	70,483	97,112	95,067	99,907	95,317
Water Fund Employees	133,325	69,512	51,288	47,134	53,764	49,504
Fund Administration	89,163	68,794	75,521	78,839	68,534	80,689
Change in Accrued Claims Liability	-	28,230	(1,016,984)	523,707	(403,143)	449,007
Total Expenditures	<u>1,920,618</u>	<u>1,571,193</u>	<u>633,748</u>	<u>2,084,801</u>	<u>1,220,078</u>	<u>2,028,473</u>
Fund balance - end of fiscal year	\$ <u>545,043</u>	\$ <u>518,346</u>	\$ <u>256,966</u>	\$ <u>(1,199,897)</u>	\$ <u>(781,504)</u>	\$ <u>(1,087,476)</u>

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TRUST AND AGENCY FUNDS

COMBINING LEVEL FINANCIAL STATEMENTS
and
SUPPORTING SCHEDULES

Description of Trust Funds and Agency Funds

John C. Chaffin Educational Fund

Established by virtue of the last will and testament of John C Chaffin, dated March 7, 1899, which provided for the distribution of 2/3 of Mr. Chaffin's estate to the City of Newton, upon the death of his daughter, Hattie West Chaffin, for purposes of establishing an education fund. Income from the fund is to be used for purposes of benefiting graduates of Newton High School or any other school of higher grade in Newton in attending college or the Massachusetts Institute of Technology, but are financially unable to do so.

The fund assets were turned over to the City in 1930. Fund is administered by a (7) member board of trustees consisting of the chairman of the School Committee and (6) others, who shall be appointed for life by the Mayor.

The fund is used for purposes of making both grants and loans. Loans bear interest from the date of the loan until December 1 of the year of graduation. The rate of interest is established by the City Treasurer, based upon prevailing rates.

Clinton H. Scovell Scholarship Fund

Established under the terms of the will of Clinton H. Scovell and accepted by the City in 1967. The fund consists of a \$472,500 non-expendable balance, the income on which is to be used for prizes for distinguished scholarship in the high schools, upon the terms and provisions as the School Committee shall from time to time determine. A December 18, 1970 opinion of the City Solicitor advises that the terms of the gift seem to restrict the distribution of these funds to students currently attending City high schools, and not for tuition assistance for students graduated from Newton high schools.

Horace Cousens Industrial Fund

Established by virtue of the will of Horace Cousens, with a \$556,850 gift, which was accepted by the City on December 15, 1930. The will provided that the fund was to accumulate income until it reached \$1 million. At the point that the fund principal reached \$1 million, the fund income is to be distributed to the deserving poor of the City who are not inmates of the almshouse. Distributions from fund income shall be made by the trustees of the fund, under such rules and regulations as the trustees shall from time to time adopt.

According to the will, at least 90% of the annual income of the fund is to be distributed to the deserving poor of the City. Not more than 20% of this sum may be loaned, instead of granted, to individuals who are temporarily in financial need.

On September 16, 1986, the trustees received permission from the Probate Court to take \$150,000 in accumulated income and add this sum to the non-expendable principal of the fund. This same court action authorized the trustees to add up to 10% of the annual income of the fund to the non-expendable fund balance.

The fund is administered by a (3) member board of trustees, who are appointed on an alternating basis by the Mayor and the Board of Aldermen. This fund is used to account for loans and or grants to Newton residents who qualify as poor. At least 90% of the annual income of the fund is to be distributed to the deserving poor and not more than 20% of this sum may be loaned to individuals who are temporarily in financial need. Revenues consist primarily of investment income on fund cash and investments.

Expendable Trust Fund & Non Expendable Trust Fund

These funds are used to account for a number of “private purpose” educational and human service trust funds. Resources accounted for in the Non Expendable Trust Fund are not available for expenditure, and may only be used for investment purposes. Income earned on the Non Expendable Trust Fund resources is credited to the Expendable Trust Fund and is available to the fund trustees for expenditure. A brief description of each such fund follows.

Thornton Swain Thomas Scholarship Fund

Established under the terms of the will of Charlotte T. Thomas, and accepted by the City on February 5, 1951. The fund consists of a \$5,000 non-expendable gift, the income on which is to be paid to a graduate of Newton High School who has known excellence in English, with a preference to be given to a student who has shown a talent in writing poetry. The trustees shall consist of three members, the principal of the school; the head of the English department and a member of the English department.

Newton High School Scholarship Fund

Established in January of 1959 by Mr. Henry Balos, Chairman of the Newton High School PTA, who set up a fund with Newton Waltham Bank for future donations. The non-expendable fund of \$2,749 was established to benefit deserving Newton High School students who desire further education.

Newton North High School Scholarship Fund

The Newton North High School Scholarship Fund includes a variety of special purpose scholarship and award funds, which had prior to FY 1995 been in the custody of the Newton North High School Principal's Office. These funds are now in the custody of the City Treasurer and under the general ledger control of the City Comptroller.

Newton South High School Scholarship Fund

The Newton South Scholarship Fund includes a variety of special purpose scholarship and award funds, which had prior to FY 1995 been in the custody of the Newton South High School Principal's Office. These funds are now in the custody of the City Treasurer and under the general ledger control of the City Comptroller.

Eric Morganthal Memorial Scholarship Fund

Established in 1964 by Mr. & Mrs. James Morganthal in memory of their late son Eric. The fund consists of a non-expendable corpus of \$2,279, the income from which is to be paid to a graduate of Newton South High School, with preference given to men entering Dartmouth College.

Leslie Solomon Memorial Scholarship Fund

Established in 1965 by parents and friends of Leslie Solomon, a graduate of Warren Junior High School that died soon after graduation. The fund consists of a non-expendable corpus of \$4,677, the income from which is to be paid to a graduate of Newton High School, with a preference given to a woman graduate of Warren Junior High School. No relative of the Solomon family may receive benefit from the scholarship fund.

Cecilia F. Betts Merit Scholarship Fund

Established for purposes of awarding senior of a Newton public high school, who has given evidence of academic excellence and social responsibility, partial financial assistance for college studies at an educational institution that is accredited by a national or regional accredited association.

Mary Cunningham Scholarship Fund

Established in 1945 by the friends of Mr. Bill Cunningham in honor of his mother, Mary Cunningham. The fund consists of a non-expendable corpus of \$2,897. Newton Waltham Bank serves as the trustee.

Board of Aldermen Scholarship Fund.

Established on January 22, 1991 by Ordinance T-120 (BO #596-90) for purposes of providing (2) college scholarships (one for a Newton North High School and one for a Newton South High School) each year to graduating seniors, who have demonstrated an interest in government through their participation in student affairs at their respective schools. Scholarships may be granted up to a maximum of \$1,200 per recipient per year from either investment income or fund principal.

Fund is administered by a (3) member board of trustees, consisting of President of Board of Aldermen and two other Aldermen, (1) from Wards 1-4 and a second from Wards 5-8.

Mayor Theodore D. Mann Fig Newton Fund

Established on September 3, 1991 by Ordinance T-172, with a gift from the Nabisco Brands, Inc. Income earned on the gift shall be used for purposes of making grants to graduates of the Newton high schools, who are pursuing a college education or vocational/technical training at an accredited institution and need financial assistance to pursue their educational goals.

To the extent that income allows, (3) scholarship awards shall be made each year, one to a graduate of Newton North High School, one to a graduate of Newton South High School, and one to a graduate of either NNHS or NSHS, who is a participant in the METCo program. The trustees of the John C. Chaffin Education Fund serve as trustees of the Fig Newton Fund.

Student Athletic Scholarship Fund

Established on June 17, 1991 by Board Order #30-91(E-1&2), with \$40,000 in lieu of tax payment from Boston College. Investment income on the \$40,000 principal is to be used for purposes of providing relief from athletic user fees for needy students.

Lawrence W. Gorin (Class of 1955) Scholarship Fund

Established on April 1, 1996 by Board Order #514-95 with a \$5,000 gift from Mr. Lawrence Gorin. The Fund is administered by the trustees of the John C. Chaffin Education Fund and the City Treasurer serves as fund custodian.

The purpose of the trust is to annually provide a scholarship to a graduate of the City's public high schools who has shown a thirst for knowledge and is pursuing a college education at an accredited institution of higher learning which can award, at a minimum, a bachelor degree. In addition to the scholarship, the trustees may make low interest loans from the fund principal or income to graduates of the Newton high schools who are attending an accredited institution of higher education.

The trustees are to accumulate fund income until such time as the fund's principal is deemed to be sufficient to provide an annual scholarship award, provided that prior to such time, the trustees may make low interest loans from the Fund's principal.

Kendrick Fund

Established by virtue of the last will and testament of John Kendrick (January 3, 1825), with a \$1,000 gift. A sum of \$500 per year is to be used to be distributed to needy industrious poor of Newton, especially widows and orphans. Once the principal of the fund reached \$3,000 the trustees are to use the remaining fund income to make loans, secured by real estate mortgages to industrious poor of Newton. Individual loans of not more than \$300 at 5% interest, and repayable within 5 years are allowed. Chapter 145 of the Acts of 1874 named the Mayor and Board of Aldermen as trustees of the fund.

Read Fund

Established under the terms of the will of Charles Albert Read and accepted by the City in 1883. The fund consists of a \$40,000 non-expendable gift, the income on which is to be used for the following purposes: a) to maintain Mr. Read's cemetery plot; for an annual sleigh ride or picnic to the children of Newton Corner, not to exceed \$400 per year; to finance free lectures on scientific subjects at Newton Corner, not to exceed \$400 per year; to fund books for the Public Library at Newton Corner, not to exceed \$600 per year; and the balance to assist poor widows from any part of the City of Newton. The fund trustees shall consist of (5) members appointed by the Mayor, with the approval of the Board of Aldermen.

Elizabeth Spear Infirmary Fund

Established under the terms of the will of Elizabeth Spear, dated September 29, 1915. The gift consisted of the house and land at #89 Walnut Park in Newton; with the understanding that no buildings be put on the land other than those standing at the time of her death, and that the land be kept open as a green spot to help beautify the City; \$1,000 to aid in the care of the property at #89 Walnut Park; \$500 for a public drinking foundation to be located in the City; and \$500, from which income shall be used to provide Christmas cheer for the inmates of the City Farm.

Mabel L. Riley Fund

The Estate of Mabel L. Riley granted a \$5,000 non expendable gift to the City of Newton in 1975. The income on this fund is to be used for special treats for residents of nursing homes and homes for the elderly on holidays and for comforts for the sick throughout the year.

Elderly Tax Relief Fund

The City has accepted Massachusetts General Law Chapter 60, Section 3D, which authorizes implementation of a voluntary tax check-off program for purposes of defraying real estate taxes for elderly and disabled Newton taxpayers with low incomes. This fund is used to account for receipt of voluntary donations and tax relief awards approved by the City's Taxation Aid Committee.

Agency Fund

This fund is used to account for resources held by the City in a purely custodial nature, such as employee/retiree payroll deductions and student activity funds.

CITY OF NEWTON, MASSACHUSETTS
TRUST AND AGENCY FUNDS
COMBINING LEVEL BALANCE SHEET
June 30, 2006

	Chaffin Education Trust Fund	Scovell Education Trust Fund	Cousens Industrial Trust Fund	Swain Scholarship Fund	Oak Hill Scholarship Fund
ASSETS:					
Cash & temporary investments	\$ 300,903	\$ 52,230	\$ 93,967	\$ 40,367	\$ 54,462
Investments	4,210,215	855,747	1,780,476	-	-
Loans receivable	109,598	-	-	-	-
Total Assets	<u>4,620,716</u>	<u>907,977</u>	<u>1,874,443</u>	<u>40,367</u>	<u>54,462</u>
LIABILITIES & FUND BALANCES:					
Warrants payable	-	-	-	-	-
Employee payroll deductions payable	-	-	-	-	-
School activity funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Unearned discounts - student loans	7,575	-	-	-	-
Total Liabilities	<u>7,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Reserved for Expendable Trust Purposes	4,158,318	435,477	541,856	35,367	54,462
Fund Balance - Reserved for Loans	102,023	-	-	-	-
Fund Balance - Reserved - Non Expendable Trust Purposes	170,800	472,500	1,332,587	5,000	-
Fund Balance - Designated for Subsequent year expenditure	182,000	-	-	-	-
Total Fund Balances	<u>4,613,141</u>	<u>907,977</u>	<u>1,874,443</u>	<u>40,367</u>	<u>54,462</u>
Total Liabilities & Fund Balances	\$ <u>4,620,716</u>	\$ <u>907,977</u>	\$ <u>1,874,443</u>	\$ <u>40,367</u>	\$ <u>54,462</u>

CITY OF NEWTON, MASSACHUSETTS
TRUST AND AGENCY FUNDS
COMBINING LEVEL BALANCE SHEET
June 30, 2006

	Newton High School Scholarship Fund	North High Scholarship Fund	H. Fergurson Scholarship Fund	Maria Vallone Scholarship Fund	Elicker Award Fund
ASSETS:					
Cash & temporary investments	\$ 13,023	\$ 192,983	\$ 50,543	\$ 5,983	\$ 37,945
Investments	-	384,370	-	-	-
Loans receivable	-	-	-	-	-
Total Assets	<u>13,023</u>	<u>577,353</u>	<u>50,543</u>	<u>5,983</u>	<u>37,945</u>
LIABILITIES & FUND BALANCES:					
Warrants payable	-	264	-	-	-
Employee payroll deductions payable	-	-	-	-	-
School activity funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Unearned discounts - student loans	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>264</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Reserved for Expendable Trust Purposes	10,274	577,089	50,543	5,983	37,945
Fund Balance - Reserved for Loans	-	-	-	-	-
Fund Balance - Reserved - Non Expendable Trust Purposes	2,749	-	-	-	-
Fund Balance - Designated for Subsequent year expenditure	-	-	-	-	-
Total Fund Balances	<u>13,023</u>	<u>577,089</u>	<u>50,543</u>	<u>5,983</u>	<u>37,945</u>
Total Liabilities & Fund Balances	\$ <u>13,023</u>	\$ <u>577,353</u>	\$ <u>50,543</u>	\$ <u>5,983</u>	\$ <u>37,945</u>

CITY OF NEWTON, MASSACHUSETTS
TRUST AND AGENCY FUNDS
COMBINING LEVEL BALANCE SHEET
June 30, 2006

	NSHS Scholarship Fund	Morganthal Scholarship Fund	Solomon Scholarship Fund	Betts Scholarship Fund	Cunningham Scholarship Fund
ASSETS:					
Cash & temporary investments	\$ 227,072	\$ 2,523	\$ 10,897	\$ 9,022	\$ 3,082
Investments	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total Assets	<u>227,072</u>	<u>2,523</u>	<u>10,897</u>	<u>9,022</u>	<u>3,082</u>
LIABILITIES & FUND BALANCES:					
Warrants payable	-	-	-	-	-
Employee payroll deductions payable	-	-	-	-	-
School activity funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Unearned discounts - student loans	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Reserved for Expendable Trust Purposes	227,072	244	6,220	7,425	185
Fund Balance - Reserved for Loans	-	-	-	-	-
Fund Balance - Reserved - Non Expendable Trust Purposes	-	2,279	4,677	1,597	2,897
Fund Balance - Designated for Subsequent year expenditure	-	-	-	-	-
Total Fund Balances	<u>227,072</u>	<u>2,523</u>	<u>10,897</u>	<u>9,022</u>	<u>3,082</u>
Total Liabilities & Fund Balances	\$ <u>227,072</u>	\$ <u>2,523</u>	\$ <u>10,897</u>	\$ <u>9,022</u>	\$ <u>3,082</u>

CITY OF NEWTON, MASSACHUSETTS
TRUST AND AGENCY FUNDS
COMBINING LEVEL BALANCE SHEET
June 30, 2006

	Bd of Aldermen Scholarship Fund	Mann Fig Newton Scholarship Fund	Student Athletic Scholarship Fund	Kendrick Welfare Fund	Read Charity Fund
ASSETS:					
Cash & temporary investments	\$ 7,047	\$ 42,072	\$ 64,647	\$ 3,292	\$ 43,976
Investments	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total Assets	<u>7,047</u>	<u>42,072</u>	<u>64,647</u>	<u>3,292</u>	<u>43,976</u>
LIABILITIES & FUND BALANCES:					
Warrants payable	-	-	-	-	-
Employee payroll deductions payable	-	-	-	-	-
School activity funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Unearned discounts - student loans	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Reserved for Expendable Trust Purposes	2,856	2,072	24,647	292	3,976
Fund Balance - Reserved for Loans	-	-	-	-	-
Fund Balance - Reserved - Non Expendable Trust Purposes	191	40,000	40,000	3,000	40,000
Fund Balance - Designated for Subsequent year expenditure	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>7,047</u>	<u>42,072</u>	<u>64,647</u>	<u>3,292</u>	<u>43,976</u>
Total Liabilities & Fund Balances	\$ <u>7,047</u>	\$ <u>42,072</u>	\$ <u>64,647</u>	\$ <u>3,292</u>	\$ <u>43,976</u>

CITY OF NEWTON, MASSACHUSETTS
TRUST AND AGENCY FUNDS
COMBINING LEVEL BALANCE SHEET
June 30, 2006

	Spear Infirmary Fund	Mabel Riley Senior Fund	Local Tax Relief Fund	Gorin Scholarship Fund	Arnold Daniels Fund
ASSETS:					
Cash & temporary investments	\$ 4,127	\$ 33,667	\$ 9,869	\$ -	\$ 52,152
Investments	-	-	-	-	-
Loans receivable	-	-	-	26,163	-
Total Assets	<u>4,127</u>	<u>33,667</u>	<u>9,869</u>	<u>26,163</u>	<u>52,152</u>
LIABILITIES & FUND BALANCES:					
Warrants payable	-	-	-	-	-
Employee payroll deductions payable	-	-	-	-	-
School activity funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Unearned discounts - student loans	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balance - Reserved for Expendable Trust Purposes	3,627	28,667	9,869	-	52,152
Fund Balance - Reserved for Loans	-	-	-	26,163	-
Fund Balance - Reserved - Non Expendable Trust Purposes	500	5,000	-	-	-
Fund Balance - Designated for Subsequent year expenditure	-	-	-	-	-
Total Fund Balances	<u>4,127</u>	<u>33,667</u>	<u>9,869</u>	<u>26,163</u>	<u>52,152</u>
 Total Liabilities & Fund Balances	\$ <u>4,127</u>	\$ <u>33,667</u>	\$ <u>9,869</u>	\$ <u>26,163</u>	\$ <u>52,152</u>

CITY OF NEWTON, MASSACHUSETTS
TRUST AND AGENCY FUNDS
COMBINING LEVEL BALANCE SHEET
June 30, 2006

	<u>Agency Fund</u>	<u>Total</u>
ASSETS:		
Cash & temporary investments	\$ 2,404,687	\$ 3,760,538
Investments	-	7,230,808
Loans receivable	-	135,761
Total Assets	<u>2,404,687</u>	<u>11,127,107</u>
LIABILITIES & FUND BALANCES:		
Warrants payable	19,643	19,907
Employee payroll deductions payable	1,879,740	1,879,740
School activity funds	408,737	408,737
Other liabilities	96,567	96,567
Unearned discounts - student loans	-	7,575
Total Liabilities	<u>2,404,687</u>	<u>2,412,526</u>
 Fund Balance - Reserved for Expendable Trust Purposes	 -	 6,276,618
Fund Balance - Reserved for Loans	-	128,186
Fund Balance - Reserved - Non Expendable Trust Purposes	-	2,123,777
Fund Balance - Designated for Subsequent year expenditure	<u>-</u>	<u>186,000</u>
Total Fund Balances	<u>-</u>	<u>8,714,581</u>
 Total Liabilities & Fund Balances	 \$ <u>2,404,687</u>	 \$ <u>11,127,107</u>

CITY OF NEWTON, MASSACHUSETTS
TRUST AND AGENCY FUNDS
COMBINING LEVEL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Chaffin Education Trust Fund	Scovell Education Trust Fund	Cousens Industrial Trust Fund	Swain Scholarship Fund	Oak Hill Scholarship Fund	Newton High Schl Scholarship Fund
REVENUES:						
Gifts & donations	\$ -	\$ -	\$ 17,728	\$ -	\$ 10,500	\$ -
Investment income	209,379	11,261	112,380	1,625	2,501	759
Other	-	-	-	-	-	-
Total Revenue	<u>209,379</u>	<u>11,261</u>	<u>130,108</u>	<u>1,625</u>	<u>13,001</u>	<u>759</u>
EXPENDITURES:						
Education	240,347	30,250	-	1,000	(220)	-
Health & human services	-	-	85,951	-	-	-
Total Expenditures	<u>240,347</u>	<u>30,250</u>	<u>85,951</u>	<u>1,000</u>	<u>(220)</u>	<u>-</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>(30,968)</u>	<u>(18,989)</u>	<u>44,157</u>	<u>625</u>	<u>13,221</u>	<u>759</u>
Transfers from Other Funds	-	-	-	39,742	41,241	12,264
Transfers to Other Funds	-	-	-	-	-	-
Excess/(Deficiency) of Revenues & Transfers over Expenditures & Transfers	<u>(30,968)</u>	<u>(18,989)</u>	<u>44,157</u>	<u>40,367</u>	<u>54,462</u>	<u>13,023</u>
Fund Balance - beginning of fiscal year	<u>4,644,109</u>	<u>926,966</u>	<u>1,830,286</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - end of fiscal year	<u>\$ 4,613,141</u>	<u>\$ 907,977</u>	<u>\$ 1,874,443</u>	<u>\$ 40,367</u>	<u>\$ 54,462</u>	<u>\$ 13,023</u>

CITY OF NEWTON, MASSACHUSETTS
TRUST AND AGENCY FUNDS
COMBINING LEVEL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	NNHS Scholarship Fund	H. Fergusson Scholarship Fund	Maria Vallone Scholarship Fund	Elicker Award Fund	NSHS Scholarship Fund	Morganthal Scholarship Fund
REVENUES:						
Gifts & donations	\$ 90,687	\$ -	\$ -	\$ 7,156	\$ 39,300	\$ -
Investment income	20,460	2,168	247	1,625	4,953	100
Other	-	-	-	-	-	-
Total Revenue	<u>111,147</u>	<u>2,168</u>	<u>247</u>	<u>8,781</u>	<u>44,253</u>	<u>100</u>
EXPENDITURES:						
Education	62,602	2,000	-	6,000	(65,956)	-
Health & human services	-	-	-	-	-	-
Total Expenditures	<u>62,602</u>	<u>2,000</u>	<u>-</u>	<u>6,000</u>	<u>(65,956)</u>	<u>-</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>48,545</u>	<u>168</u>	<u>247</u>	<u>2,781</u>	<u>110,209</u>	<u>100</u>
Transfers from Other Funds	528,544	50,375	5,736	35,164	116,863	2,423
Transfers to Other Funds	-	-	-	-	-	-
Excess/(Deficiency) of Revenues & Transfers over Expenditures & Transfers	<u>577,089</u>	<u>50,543</u>	<u>5,983</u>	<u>37,945</u>	<u>227,072</u>	<u>2,523</u>
Fund Balance - beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - end of fiscal year	<u>\$ 577,089</u>	<u>\$ 50,543</u>	<u>\$ 5,983</u>	<u>\$ 37,945</u>	<u>\$ 227,072</u>	<u>\$ 2,523</u>

CITY OF NEWTON, MASSACHUSETTS
TRUST AND AGENCY FUNDS
COMBINING LEVEL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
Fiscal Year ended June 30, 2006

	Solomon Scholarship Fund	Betts Scholarship Fund	Cunningham Scholarship Fund	Bd of Aldermen Scholarship Fund	Mann Fig Newton Scholarship Fund	Student Athletic Scholarship Fund
REVENUES:						
Gifts & donations	\$ -	\$ -	\$ -	\$ 603	\$ -	\$ -
Investment income	435	360	143	293	1,674	2,573
Other	-	-	-	-	-	-
Total Revenue	<u>435</u>	<u>360</u>	<u>143</u>	<u>896</u>	<u>1,674</u>	<u>2,573</u>
EXPENDITURES:						
Education	-	-	1,100	1,000	-	-
Health & human services	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>435</u>	<u>360</u>	<u>(957)</u>	<u>(104)</u>	<u>1,674</u>	<u>2,573</u>
Transfers from Other Funds	10,462	8,662	4,039	7,151	40,398	62,074
Transfers to Other Funds	-	-	-	-	-	-
Excess/(Deficiency) of Revenues & Transfers over Expenditures & Transfers	<u>10,897</u>	<u>9,022</u>	<u>3,082</u>	<u>7,047</u>	<u>42,072</u>	<u>64,647</u>
Fund Balance - beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - end of fiscal year	<u>\$ 10,897</u>	<u>\$ 9,022</u>	<u>\$ 3,082</u>	<u>\$ 7,047</u>	<u>\$ 42,072</u>	<u>\$ 64,647</u>

CITY OF NEWTON, MASSACHUSETTS
 TRUST AND AGENCY FUNDS
 COMBINING LEVEL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS
 Fiscal Year ended June 30, 2006

	Kendrick Welfare Fund	Read Charity Fund	Spear Infirmary Fund	Mabel Riley Senior Fund	Local Tax Relief Fund	Gorin Scholarship Fund
REVENUES:						
Gifts & donations	\$ -	\$ -	\$ -	\$ -	\$ 16,823	\$ -
Investment income	130	1,810	164	1,338	605	-
Other	-	-	-	-	-	-
Total Revenue	<u>130</u>	<u>1,810</u>	<u>164</u>	<u>1,338</u>	<u>17,428</u>	<u>-</u>
EXPENDITURES:						
Education	-	-	-	-	-	-
Health & human services	-	1,400	-	-	15,000	-
Total Expenditures	<u>-</u>	<u>1,400</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>130</u>	<u>410</u>	<u>164</u>	<u>1,338</u>	<u>2,428</u>	<u>-</u>
Transfers from Other Funds	3,162	43,566	3,963	32,329	7,441	26,163
Transfers to Other Funds	-	-	-	-	-	-
Excess/(Deficiency) of Revenues & Transfers over Expenditures & Transfers	<u>3,292</u>	<u>43,976</u>	<u>4,127</u>	<u>33,667</u>	<u>9,869</u>	<u>26,163</u>
Fund Balance - beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - end of fiscal year	<u>\$ <u>3,292</u></u>	<u>\$ <u>43,976</u></u>	<u>\$ <u>4,127</u></u>	<u>\$ <u>33,667</u></u>	<u>\$ <u>9,869</u></u>	<u>\$ <u>26,163</u></u>

CITY OF NEWTON, MASSACHUSETTS
 TRUST AND AGENCY FUNDS
 COMBINING LEVEL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGETARY BASIS
 Fiscal Year ended June 30, 2006

	Arnold Daniels Fund	Expendable Trust Fund	Non Expendable Trust Fund	Total
REVENUES:				
Gifts & donations	\$ 50,000	\$ -	\$ -	\$ 232,797
Investment income	2,152	-	-	379,135
Other	-	-	-	-
Total Revenue	<u>52,152</u>	<u>-</u>	<u>-</u>	<u>611,932</u>
EXPENDITURES:				
Education	-	-	-	278,123
Health & human services	-	-	-	102,351
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>380,474</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>52,152</u>	<u>-</u>	<u>-</u>	<u>231,458</u>
Transfers from Other Funds	-	-	-	1,081,762
Transfers to Other Funds	-	(907,708)	(174,054)	(1,081,762)
Excess/(Deficiency) of Revenues & Transfers over Expenditures & Transfers	<u>52,152</u>	<u>(907,708)</u>	<u>(174,054)</u>	<u>231,458</u>
Fund Balance - beginning of fiscal year	<u>-</u>	<u>907,708</u>	<u>174,054</u>	<u>8,483,123</u>
Fund Balance - end of fiscal year	<u>\$ 52,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,714,581</u>

LONG TERM DEBT ACCOUNT GROUP

LONG TERM DEBT SCHEDULE
and
SCHEDULE OF AUTHORIZED AND UNISSUED DEBT

CITY OF NEWTON, MASSACHUSETTS
LONG TERM DEBT ACCOUNT GROUP
LONG TERM DEBT SCHEDULE
Fiscal Year ended June 30, 2006

	Issue Date	Beginning Balance	New Issues/ Authorizations	Debt Maturities	Ending Balance	Total Interest
ISSUED LONG TERM DEBT:						
Public Schools:						
Newton South High School Renovations	April 15, 1996	\$ 520,000	\$ -	\$ 520,000	\$ -	\$ 24,440
F.A. Day Middle School Renovations	February 26, 1997	348,700	-	177,000	171,700	16,038
Oak Hill Middle School Renovations	February 26, 1997	400,000	-	200,000	200,000	18,400
Brown Middle School Renovations	February 26, 1997	365,050	-	183,000	182,050	16,792
Newton South High School Science Labs	March 10, 1998	150,000	-	50,000	100,000	6,525
Oak Hill Middle School Renovations	March 10, 1998	900,000	-	300,000	600,000	39,150
Newton South High School Science Labs	March 15, 1999	920,000	-	230,000	690,000	37,375
Oak Hill Middle School Renovations	March 15, 1999	1,880,000	-	470,000	1,410,000	76,375
Bowen Elementary School Tier I Renovations	March 15, 1999	1,340,000	-	335,000	1,005,000	54,437
Carr School Repurchase	March 15, 1999	840,000	-	210,000	630,000	34,125
Bowen Elementary School Tier I Renovations	July 15, 2000	165,000	-	30,000	135,000	7,095
Williams Elementary School Tier I Renovations	July 15, 2000	2,405,000	-	400,000	2,005,000	104,437
Memorial Elementary School Tier I Renovations	August 15, 2001	3,410,000	-	500,000	2,910,000	123,400
High School Design	August 15, 2003	5,130,000	-	570,000	4,560,000	143,070
High School Renovations	February 24, 2005	10,000,000	-	500,000	9,500,000	359,875
High School Renovations	February 15, 2006	-	10,000,000	-	10,000,000	-
Countryside School Improvements	February 15, 2006	-	149,000	-	149,000	-
School Boiler Improvements	February 15, 2006	-	405,000	-	405,000	-
Peirce School Improvements	February 15, 2006	-	560,000	-	560,000	-
NSHS HVAC Improvements	February 15, 2006	-	260,000	-	260,000	-
Elementary School Improvements	February 15, 2006	-	200,000	-	200,000	-
Public School Total:		28,773,750	11,574,000	4,675,000	35,672,750	1,061,534
Public Works:						
Countryside Road Street Improvements	February 15, 2006	-	524,000	-	524,000	-
DPW Equipment Replacement	February 15, 2006	-	887,000	-	887,000	-
MWPAT Sanitary Landfill Closure Pool #4 (1)	February 15, 1998	1,941,600	-	120,500	1,821,100	24,142
Public Works Total:		1,941,600	1,411,000	120,500	3,232,100	24,142
Sanitary Sewer System:						
MWRA Sanitary Sewer Infiltration/Inflow Reduction	September 24, 2001	24,468	-	12,234	12,234	-
MWRA Sanitary Sewer Infiltration/Inflow Reduction	February 22, 2002	97,152	-	48,576	48,576	-
MWRA Sanitary Sewer Infiltration/Inflow Reduction	May 31, 2002	28,358	-	14,179	14,179	-
MWRA Sanitary Sewer Infiltration/Inflow Reduction	November 2002	211,365	-	70,455	140,910	-

CITY OF NEWTON, MASSACHUSETTS
LONG TERM DEBT ACCOUNT GROUP
LONG TERM DEBT SCHEDULE
Fiscal Year ended June 30, 2006

	Issue Date	Beginning Balance	New Issues/ Authorizations	Debt Maturities	Ending Balance	Total Interest
MWRA Sanitary Sewer Infiltration/Inflow Reduction	February 2003	67,419	-	22,473	44,946	-
MWRA Sanitary Sewer Infiltration/Inflow Reduction	May 2003	95,700	-	31,900	63,800	-
MWRA Sanitary Sewer Infiltration/Inflow Reduction	February 2006	-	52,525	-	52,525	-
MWPAT Sewer I&I Program Loan Pool #5 (2)	October 6, 1999	5,174,649	-	283,920	4,890,729	63,360
MWPAT Sewer I&I Program Loan Pool #6 - 99-27 (3)	November 10, 2000	6,472,884	-	325,318	6,147,566	74,472
MWPAT Sewer I&I Program CW-00-55 {4}	July 3, 2002	111,128	-	4,804	106,324	1,297
Elgin Street Sewer Construction	March 10, 1998	40,000	-	10,000	30,000	1,625
Sewer Construction	February 26, 1997	106,250	-	50,000	56,250	4,891
Sanitary Sewer System Total:		12,429,373	52,525	873,859	11,608,039	145,645
Water System:						
Eliot Street Water/Sewer Yard Improvements	March 10, 1998	120,000	-	30,000	90,000	4,875
MWRA Water System Improvements	September 28, 2000	644,894	-	107,483	537,411	-
MWRA Water System Improvements	February 15, 2001	906,717	-	151,119	755,598	-
MWRA Water System Improvements	February 15, 2002	1,810,214	-	258,602	1,551,612	-
MWRA Water System Improvements	August 15, 2002	2,068,815	-	258,602	1,810,213	-
MWRA Water System Improvements	February 26, 2004	2,327,417	-	258,602	2,068,815	-
MWRA Water System Improvements	November 18, 2004	2,586,019	-	258,602	2,327,417	-
MWRA Water System Improvements	May 19, 2006	-	2,586,019	-	2,586,019	-
Water System Total:		10,464,076	2,586,019	1,323,010	11,727,085	4,875
Public Safety						
Fire Ladder Replacement	February 15, 2006	-	850,000	-	850,000	-
Municipal Buildings & Facilities Total:		-	850,000	-	850,000	-
Community Preservation						
Kessler Woods Land Acquisition - Open Space Acquisition	December 16, 2003	4,500,000	-	500,000	4,000,000	115,750
Angino Farm Land Acquisition - Open Space Acquisition	February 24, 2005	900,000	-	180,000	720,000	29,430
Angino Farm Land Acquisition - Historic Preservation	February 24, 2005	300,000	-	60,000	240,000	9,810
Angino Farm Land Acquisition - Community Recreation	February 24, 2005	300,000	-	60,000	240,000	9,810
Community Preservation Total:		6,000,000	-	800,000	5,200,000	164,800
Other Debt:						
Commonwealth of Massachusetts Pension Benefit Loan	August 31, 1996	2,600,000	-	-	2,600,000	-
TOTAL LONG TERM DEBT		\$ 62,208,799	\$ 16,473,544	\$ 7,792,369	\$ 70,889,974	\$ 1,400,996

CITY OF NEWTON, MASSACHUSETTS
LONG TERM DEBT ACCOUNT GROUP
LONG TERM DEBT SCHEDULE
Fiscal Year ended June 30, 2006

Issue Date	Beginning Balance	New Issues/ Authorizations	Debt Maturities	Ending Balance	Total Interest
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*(1) Landfill Closure Liability recorded gross of State subsidy.
FY 2006 maturity includes \$27,286 maturity subsidy.*

*{2} Sewer I&I Liability recorded gross of State subsidy.
FY 2006 maturity includes \$65,064 maturity subsidy.*

*{3} Sewer I&I Liability recorded gross of State subsidy.
FY 2006 maturity includes \$68,923 maturity subsidy.*

*{4} Sewer I&I Liability recorded gross of State subsidy.
FY 2006 maturity includes \$795 maturity subsidy.*

BOND ANTICIPATION NOTES:

Public School Bond Anticipation Notes- High School Renovations	\$ 49,500,000	\$ 34,120,000	\$ 71,560,000	\$ 12,060,000	\$ 1,391,119
TOTAL SHORT TERM DEBT	\$ 49,500,000	\$ 34,120,000	\$ 71,560,000	\$ 12,060,000	\$ 1,391,119

{5} June 30, 2006 outstanding bond anticipation notes includes:

<i>Newton South High School - Outstanding SBAB reimbursement</i>	\$ 8,707,753
<i>Newton South High School New Construction Preliminary Design:</i>	3,800,000
<i>Total 6/30/2006 outstanding bond anticipatin notes</i>	<u>\$ 12,507,753</u>

CITY OF NEWTON, MASSACHUSETTS
LONG TERM DEBT ACCOUNT GROUP
SCHEDULE OF AUTHORIZED AND UNISSUED DEBT
Fiscal Year ended June 30, 2006

	Beginning Balance	New Authorizations	Issued/Retired	Ending Balance
	\$	\$	\$	\$
AUTHORIZED & UNISSUED DEBT				
High School Renovations - (#268-00A)	50,120	(50,120)	-	-
Newton North High School Renovations (#268-00B)	33,520,407	(36,509,395)	2,988,988	-
Newton South High School Renovations (#268-00(B) & #268-00(6)	2,120,000	-	24,451,012	26,571,012 {1}
Newton South High School Renovations (#108-05)	-	260,000	(260,000)	-
Peirce Elementary School Improvements (#157-05)	560,000	-	(560,000)	-
Countryside Elementary Improvements (#158-05)	149,000	-	(149,000)	-
School Boiler Replacements (#159-05)	405,000	-	(405,000)	-
School Boiler Replacements (#265-06)	-	500,000	-	500,000
Street Betterment Improvements (#133-05)	650,000	(126,000)	(524,000)	-
Fire Station Improvements (#378-05)	-	150,000	-	150,000
Public Works Equipment Replacement (#457-05)	-	887,000	(887,000)	-
Fire Ladder Truck Replacement (#454=05)	-	850,000	(850,000)	-
Elementary School Renovations (#456-05)	-	200,000	(200,000)	-
Sewer Waste Water Facilities (#763-85 (1))	179,243	-	(52,525)	126,718
Sewer I& I Removal - (#226-03)	1,244,039	-	-	1,244,039
Sewer I& I Removal - MWPAAT (#195-98)	3,144,357	-	-	3,144,357
Water Main Rehabilitation -MWRA (#38-05)	-	12,804,905	(2,460,829)	10,344,076
Water Main Rehabilitation -MWRA (#114-00)	125,190	-	(125,190)	-
TOTAL AUTHORIZED & UNISSUED DEBT	\$ 42,147,356	\$ (21,033,610)	\$ 20,966,456	\$ 42,080,202

{1} Excludes \$12,060,000 in outstanding bond anticipation notes.

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CAPITAL ASSET ACCOUNT GROUP

CAPITAL ASSET SCHEDULES

CITY OF NEWTON
CAPITAL ASSET ACCOUNT GROUP
CAPITAL ASSET SCHEDULES
Fiscal Year ended June 30, 2006

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 17,099,071	\$ -	\$ -	\$ 17,099,071
Construction in progress	2,818,956	2,071,653	(288,790)	4,601,819
Sub-total	<u>19,918,027</u>	<u>2,071,653</u>	<u>(288,790)</u>	<u>21,700,890</u>
Capital assets being depreciated:				
Buildings and improvements	193,990,732	4,183,021	-	198,173,753
Equipment and machinery	36,369,121	2,503,321	(104,626)	38,767,816
Road network	47,871,713	1,196,322	-	49,068,035
Sub-total	<u>278,231,566</u>	<u>7,882,664</u>	<u>(104,626)</u>	<u>286,009,604</u>
Less: accumulated depreciation:				
Buildings and improvements	(65,370,792)	(4,097,585)	-	(69,468,377)
Equipment and machinery	(23,756,764)	(2,992,524)	88,882	(26,660,406)
Road network	(14,040,072)	(1,219,592)	-	(15,259,664)
Sub-total	<u>(103,167,628)</u>	<u>(8,309,701)</u>	<u>88,882</u>	<u>(111,388,447)</u>
Governmental capital assets, net	<u>\$ 194,981,965</u>	<u>\$ 1,644,616</u>	<u>\$ (304,534)</u>	<u>\$ 196,322,047</u>

CITY OF NEWTON
CAPITAL ASSET ACCOUNT GROUP
CAPITAL ASSET SCHEDULES
Fiscal Year ended June 30, 2006

	Beginning Balances	Increases	Decreases	Ending Balances
Water systems:				
Capital assets not being depreciated:				
Land	\$ 258,540	\$ -	\$ -	\$ 258,540
Construction in progress	-	-	-	-
Sub-total	<u>258,540</u>	<u>-</u>	<u>-</u>	<u>258,540</u>
Capital assets being depreciated:				
Buildings and improvements	2,203,492	-	-	2,203,492
Equipment and machinery	3,984,319	216,041	(61,700)	4,138,660
Water system	21,381,328	2,636,661	-	24,017,989
Sub-total	<u>27,569,139</u>	<u>2,852,702</u>	<u>(61,700)</u>	<u>30,360,141</u>
Less: accumulated depreciation:				
Buildings and improvements	(849,057)	(33,163)	-	(882,220)
Equipment and machinery	(2,742,803)	(137,038)	55,530	(2,824,311)
Water system	<u>(5,575,075)</u>	<u>(465,007)</u>	<u>-</u>	<u>(6,040,082)</u>
Sub-total	<u>(9,166,935)</u>	<u>(635,208)</u>	<u>55,530</u>	<u>(9,746,613)</u>
Water system capital assets, net	\$ <u>18,660,744</u>	\$ <u>2,217,494</u>	\$ <u>(6,170)</u>	\$ <u>20,872,068</u>

CITY OF NEWTON
CAPITAL ASSET ACCOUNT GROUP
CAPITAL ASSET SCHEDULES
Fiscal Year ended June 30, 2006

	Beginning Balances	Increases	Decreases	Ending Balances
Sewer system				
Capital assets not being depreciated:				
Land	\$ 26,245	\$ -	\$ -	\$ 26,245
Construction in progress	-	-	-	-
Sub-total	<u>26,245</u>	<u>-</u>	<u>-</u>	<u>26,245</u>
Capital assets being depreciated:				
Buildings and improvements	1,867,659	-	-	1,867,659
Equipment and machinery	1,352,485	89,447	-	1,441,932
Sanitary sewer system	<u>39,557,509</u>	<u>349,905</u>	<u>-</u>	<u>39,907,414</u>
Sub-total	<u>42,777,653</u>	<u>439,352</u>	<u>-</u>	<u>43,217,005</u>
Less: accumulated depreciation:				
Buildings and improvements	(429,263)	(39,125)	-	(468,388)
Equipment and machinery	(370,569)	(70,398)	-	(440,967)
Sanitary sewer system	<u>(11,301,230)</u>	<u>(786,003)</u>	<u>-</u>	<u>(12,087,233)</u>
Sub-total	<u>(12,101,062)</u>	<u>(895,526)</u>	<u>-</u>	<u>(12,996,588)</u>
Sewer system capital assets, net	<u>\$ 30,702,836</u>	<u>\$ (456,174)</u>	<u>\$ -</u>	<u>\$ 30,246,662</u>

**NEWTON CONTRIBUTORY RETIREMENT SYSTEM
CONTRIBUTORY RETIREMENT TRUST FUND
FINANCIAL STATEMENTS**

Description of Newton Retirement System

A – Plan Description and Membership

The City contributes to the System, a cost-sharing multiple-employer defined benefit pension plan administered by the Newton Contributory Retirement Board (NCRB). Substantially all employees of the City are members of the System, except for public school teachers and certain school administrative personnel who are members of the Massachusetts Teachers Retirement System (MTRS). Employees of the Newton Housing Authority also participate in the NCRB. Pension benefits and administrative expenses paid by the MTRS are funded by the Commonwealth of Massachusetts and the amount of these on-behalf payments totaled \$20,841,411 for the fiscal year ended June 30, 2006. The System provides retirement, disability and death benefits to plan members and beneficiaries, pursuant to Massachusetts General Law Chapter 32, up to a maximum of 80% of the average of a member's three highest consecutive years' regular compensation. In addition to regular compensation, benefits are based upon a member's age, length of creditable service and group classification. Members become vested after ten years of creditable service. A normal retirement allowance may be received after the completion of 20 years of service or upon reaching age 55, with 10 years of service. Normal retirement for most employees occurs at age 65, except for certain hazardous duty and public safety employees who attain normal retirement age at age 55. Benefits and member contribution rates are determined by Chapter 32 of the Massachusetts General Laws. A retirement allowance consists of two parts, an annuity and a pension. A member's accumulated total retirement deductions, plus interest, constitutes the annuity. The difference between the total retirement benefit and the annuity is the pension.

B - Funding Policy

In 1984 the City began funding the System on an actuarial reserve basis. This funding includes both current year service and the amortization of past service liability. It is the policy of the NCRB to contract for an annual actuarial valuation of the System to determine whether the contributions are sufficient to meet accruing liabilities and to demonstrate what adjustments, if any, are necessary on the basis of actual experience. Active member contribution rates are based upon date of hire: Prior to January 1, 1975 - 5% of regular compensation; January 1, 1975-December 31, 1984 - 7% of regular compensation; January 1, 1985-June 30, 1996 - 8% of regular compensation and July 1, 1996 to date - 9% of regular compensation. Members hired on or after January 1, 1979 contribute an additional 2% of annual regular compensation in excess of \$30,000. Cost of living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth during this time period are funded by annual contributions from the Commonwealth of Massachusetts. Cost of living adjustments granted after 1997 must be approved annually by the NCRB and the costs are borne entirely by the System. These adjustments may not exceed 3% on the first \$12,000 in benefits.

C – Investment Policy

The NCRB is responsible for the adoption of a formal asset allocation policy, the selection of professional investment managers to execute the investment policies, and the appointment of an investment consultant to assist with the evaluation of investment manager performance. All investment activities of the NCRB are subject to oversight by the Commonwealth of Massachusetts Public Employee Retirement Commission (PERAC). The asset allocation plan is designed to generate an average annual return of 8%. Up to 75% of the investment portfolio may be invested in equity securities, including international equities, which may not exceed 16% of the market value of the portfolio. At least 15%, but no more than 30% of the portfolio must be invested in fixed income securities. The NCRB investment policy allows for a maximum 5% allocation to high yield fixed income securities. Real estate investments are expected to make up a minimum of 6% and a maximum of 12% of the portfolio. Effective January 1, 2006, the Retirement Board has approved the addition of private equity and hedge funds to the portfolio. The target allocation to private equity is 3% and that of hedge funds is 5%. Prohibited investments include futures contracts other than currency futures, calls and forward contracts which may be written against securities in the international portfolio to a maximum of 50% of the international portfolio's non dollar holdings at market value. Speculative currency positions unrelated to underlying portfolio holdings are strictly prohibited.

CITY OF NEWTON, MASSACHUSETTS
CONTRIBUTORY RETIREMENT SYSTEM
CONTRIBUTORY RETIREMENT TRUST FUND
STATEMENT OF PLAN NET ASSETS
DECEMBER 31, 2005
(with comparative information for December 31, 2004)

	December 31, 2005	December 31, 2004	\$ Change	% Change
ASSETS:				
Cash and short term investments	22,762,423	8,394,015	14,368,408	171.2%
Receivables				
Employer-employee payroll deductions	221,511	41,266	180,245	436.8%
State/federal grants	695,609	740,477	(44,868)	-6.1%
Interest and dividends	21,706	1,818	19,888	1093.9%
Total receivables	938,826	783,561	155,265	19.8%
Investments, at fair value:				
U.S. Government obligations	8,630,719	11,635,579	(3,004,860)	-25.8%
Taxable Municipal bonds	301,840	405,046	(103,206)	-25.5%
Domestic investment grade corporate bonds	15,219,849	18,711,197	(3,491,348)	-18.7%
High yield corporate bonds	6,831,848	6,625,166	206,682	3.1%
Domestic stocks	124,307,863	127,011,977	(2,704,114)	-2.1%
International bonds	128,279	295,343	(167,064)	-56.6%
International stocks	29,170,304	25,770,102	3,400,202	13.2%
Mortgage Backed Securities	21,490,408	26,403,587	(4,913,179)	-18.6%
Real Estate	17,390,081	13,597,709	3,792,372	27.9%
Total investments	223,471,191	230,455,706	(6,984,515)	-3.0%
Total assets	247,172,440	239,633,282	7,539,158	3.1%
LIABILITIES:				
Accounts Payable	353,412	138,191	215,221	155.7%
Total liabilities	353,412	138,191	215,221	155.7%
NET ASSETS - Held in trust for pension benefits	246,819,028	239,495,091	7,323,937	3.1%

CITY OF NEWTON, MASSACHUSETTS
CONTRIBUTORY RETIREMENT SYSTEM
CONTRIBUTORY RETIREMENT TRUST FUND
STATEMENT OF CHANGES IN PLAN NET ASSETS
YEAR ENDED DECEMBER 31, 2005
(with comparative information for the 5 previous fiscal years)

	Fiscal Year Ended December 31, 2005	Fiscal Year Ended December 31, 2004	Fiscal Year Ended December 31, 2003	Fiscal Year Ended December 31, 2002	Fiscal Year Ended December 31, 2001	Fiscal Year Ended December 31, 2000
ADDITIONS:						
Contributions						
Employer	\$ 10,505,298	\$ 9,935,070	\$ 8,310,569	\$ 7,740,395	\$ 7,175,058	\$ 7,334,010
Employee	6,014,772	5,743,983	5,511,154	5,235,950	4,826,404	4,567,534
Total Contributions	<u>16,520,070</u>	<u>15,679,053</u>	<u>13,821,723</u>	<u>12,976,345</u>	<u>12,001,462</u>	<u>11,901,544</u>
Investment Income						
Net appreciation/(depreciation) in fair value of investments	11,409,806	20,001,087	33,640,456	(26,267,269)	(16,756,869)	(1,466,284)
Interest income	2,760,335	2,259,638	2,522,119	4,420,410	5,228,755	4,535,265
Dividend income	<u>1,713,548</u>	<u>3,427,028</u>	<u>1,573,846</u>	<u>1,553,380</u>	<u>1,567,058</u>	<u>1,466,185</u>
Total Investment Income	15,883,689	25,687,753	37,736,421	(20,293,479)	(9,961,056)	4,535,166
Investment management expenses	(952,706)	(727,282)	(819,821)	912,983	933,635	1,147,275
Net investment income	14,930,983	24,960,471	36,916,600	(21,206,462)	(10,894,691)	3,387,891
Intergovernmental	1,350,801	1,509,452	1,355,005	1,258,280	1,390,472	1,587,709
Transfers from Other Systems	<u>889,568</u>	<u>749,321</u>	<u>736,349</u>	<u>478,079</u>	<u>584,118</u>	<u>453,187</u>
TOTAL ADDITIONS:	<u>33,691,422</u>	<u>42,898,297</u>	<u>52,829,677</u>	<u>(6,493,758)</u>	<u>3,081,361</u>	<u>17,330,331</u>
DEDUCTIONS:						
Benefits	24,965,836	23,113,704	21,579,517	20,080,964	18,415,607	17,338,729
Refunds of contributions/transfers to other systems	1,165,742	1,101,632	805,854	1,409,636	1,308,032	1,674,076
Administrative expense	<u>235,907</u>	<u>215,571</u>	<u>203,531</u>	<u>223,255</u>	<u>188,222</u>	<u>178,493</u>
TOTAL DEDUCTIONS:	<u>26,367,485</u>	<u>24,430,907</u>	<u>22,588,902</u>	<u>21,713,855</u>	<u>19,911,861</u>	<u>19,191,298</u>
CHANGE IN NET ASSETS	7,323,937	18,467,390	30,240,775	(28,207,613)	(16,830,500)	(1,860,967)
NET ASSETS AT BEGINNING OF YEAR	<u>239,495,091</u>	<u>221,027,701</u>	<u>190,786,926</u>	<u>218,994,539</u>	<u>235,825,039</u>	<u>237,686,006</u>
NET ASSETS AT END OF YEAR	<u>\$ 246,819,028</u>	<u>\$ 239,495,091</u>	<u>\$ 221,027,701</u>	<u>\$ 190,786,926</u>	<u>\$ 218,994,539</u>	<u>\$ 235,825,039</u>

OTHER REPORTS

**RECONCILIATION OF GENERAL LEDGER CASH AND INVESTMENTS
TO TREASURER'S CASH AND INVESTMENTS**

**RECONCILIATION OF GENERAL LEDGER RECEIVABLE BALANCES
TO TREASURER'S RECEIVABLE BALANCES**

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CITY OF NEWTON, MASSACHUSETTS
RECONCILIATION OF TREASURER'S CASH AND INVESTMENTS
JUNE 30, 2006

	<u>Treasurer/Collector</u>	<u>General Ledger</u>
Total cash & investments	\$ 110,464,897	\$ 111,711,650
Less:		
Petty cash in custody of departments		(11,950)
Newton Community Development Authority cash in the custody of NCDA		(356,570)
Library Trust Fund cash and investments in custody of Library Board of Trustees		(764,725)
Student Activity Fund cash in the custody of individual schools	-	(113,508)
Total cash and investments in custody of the Treasurer	<u>\$ 110,464,897</u>	<u>\$ 110,464,897</u>

Comptroller: 
Collector/Treasurer: 

Date: 08/28/2006
Date: 08/28/2006

CITY OF NEWTON, MASSACHUSETTS
RECONCILIATION OF OUTSTANDING RECEIVABLES
June 30, 2006

	Detail Per Treasurer/Collector	Balance per General Ledger	Variance
Personal Property Taxes:			
Preliminary Levy of 2007	1,768,310	1,768,310	
Levy of 2006	160,395	160,395	
Levy of 2005	52,071	52,071	
Levy of 2004	24,657	24,657	
Levy of 2003	54,951	54,951	
Levy of 2002	13,925	13,925	
Levy of 2001	11,998	11,998	
Prior Years	52,723	52,723	
Total	2,139,030	2,139,030	
Real Estate Taxes:			
Preliminary Levy of 2007	102,007,578	102,007,578	
Levy of 2006	2,911,679	2,911,679	
Levy of 2005	1,051,702	1,051,702	
Levy of 2004	147,414	147,414	
Levy of 2003	21,376	21,376	
Levy of 2002	5,140	5,140	
Levy of 2001			
Prior Years			
Total	106,144,889	106,144,889	
Deferred Property Taxes:	2,100,394	2,100,394	
Motor Vehicle Excise Taxes:			
Levy of 2006	505,339	505,339	
Levy of 2005	152,777	152,777	
Levy of 2004	116,932	116,932	
Levy of 2003	73,081	73,081	
Levy of 2002	132,918	132,918	
Levy of 2001	143,595	143,595	
Prior Years	555,924	555,924	
Total	1,680,566	1,680,566	
Tax Liens/Tax Title:	1,509,534	1,509,534	
Tax Foreclosure/Tax Possessions:	54,473	54,473	
Community Preservation Taxes:			
Levy of 2006	45,196	45,196	
Levy of 2005	16,182	16,182	
Levy of 2004	2,487	2,487	
Levy of 2003	184	184	
Levy of 2002	51	51	
Water Use Charges:	1,752,530	1,752,530	
Sewer Use Charges:	2,679,418	2,679,418	

Comptroller: 

Date: 08/30/2006

Collector/Treasurer: 

Date: 08/30/2006